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President Jomo Kenyatta and visiting Henry Kissinger in Nairobi on Saturday.

Kissinger Pledges U.S. Influence, Arms to African Nationalists

From Wire Dispatches
WASHINGTON, April 25.—Secretary of State Henry Kissinger today pledged U.S. influence and arms to African nationalists in a speech to the United Nations General Assembly in New York.

Kissinger said that the United States would use its economic and political influence to help African nationalists in their struggle against colonialism and apartheid.

He also announced that the United States would provide arms to African nationalists in Rhodesia and South Africa.

Kissinger said that the United States would also provide technical assistance and training to African nationalists.

He concluded his speech by saying that the United States would continue to support the struggle for African liberation.

Unification Expected Soon, South Vietnamese Vote a Nationwide Assembly

By Lewis M. Simons
SAIGON, April 25 (AP)—The North and South Vietnamese are expected to vote on unification in a nationwide assembly in the near future.

The assembly is expected to be held in Hanoi, North Vietnam, and will consist of representatives from both the North and South.

The assembly will vote on whether to reunify the country under the North Vietnamese government or to maintain the status quo.

The North Vietnamese government has been pushing for unification since the end of the Vietnam War.

The South Vietnamese government has been reluctant to accept unification, fearing that it would mean the end of its autonomy.

The assembly is expected to be a landmark event in the history of Vietnam.

Communists in Fourth Place

Socialists Take Early Lead In Portugal Assembly Vote

From Wire Dispatches
LISBON, Monday, April 26.—The Portuguese voted yesterday in the nation's first free election of a national legislature since 1926.

Early this morning, the press section of the Portuguese Embassy in Paris gave these percentages for the four leading parties with about 12 per cent of the total vote counted:

Socialists 29.50%
Popular Democrats 25.93%
Social Democratic Center 20.72%
Communists 11.77%



Portuguese Premier Jose Pinheiro Azevedo giving his ballot to an election aide in Lisbon.

The rest of the vote was scattered among 10 splinter parties.

The Social Democrats were showing particular strength in rural areas where farmers have become disgruntled. They came in fourth in the 1975 elections for a constituent assembly.

The Socialists came in first last year with 38 per cent, followed by the Popular Democrats with 26 per cent and the Communists with 13 per cent and the Social Democratic Center, 1 per cent.

Lines formed early in the good weather. As the polls closed last night, election officials estimated that more than 80 per cent of the 6.5 million eligible voters had cast ballots.

The voters were electing 283 deputies from a field of 3,012 candidates representing 14 parties.

The armed forces had been placed on full alert in case of violence during the voting and in the immediate post-electoral period. No major incidents were reported.

High-ranking Portuguese politicians and Western diplomats predicted that the election would produce inconclusive results in terms of forming a civilian government. They forecast difficult bargaining to put together a coalition.

But the shift was not considered likely to change the relative balance among the major parties and provide an effective majority for any one of them.

The forecast was that Communist and the extreme left would emerge with a sufficiently solid minority to make stable government difficult.

Military leaders, who have exercised power since their revolution overthrew the 48-year-old rightist dictatorship on April 25, 1974, have insisted that they will step back and entrust the day-to-day governing responsibility to civilian politicians.

It is harder for the armed forces to withdraw from power than to take it," said the navy's chief of staff, Vice-Adm. Augusto Souto Silva Cruz, a member of the Revolutionary Council. He told an interviewer that the army's officers would have to oversee democratic development during a period of austerity, which is recognized as vital for economic recovery and future stability.

Elections for president are scheduled for June 27. The new president will name the new civilian premier.

A key question that could be answered was whether months of political instability, social unrest, growing economic depression and indecisive leadership have discredited the two-year-old revolution.

Essentially, the country's largest party, the Socialists, support the revolution but believe it has gone far enough for now and errors must be corrected.

The liberal Popular Democrats, who compose the second-ranking party, feel that the revolution has gone too far and would like to go back a bit.

Only the Communist party

gives wholehearted approval to the revolutionary developments.

The conservative Social Democratic Center has been in opposition from the outset of the revolution and basically would like to undo what has been done and start all over again.

The seven radical parties to the left of the Communists admitted that they were taking part in the election as a means

of showing opposition to the regime. They favor revolution, but not this one, and call for "popular power." An eighth group, the Marxist-Leninist Communist party, pulled out.

The campaign was marked by violence that caused three deaths and left about 60 persons injured. In addition, two Cubans died when a bomb exploded in the Cuban Embassy here last week in

what police believe was a politically inspired attack.

But the general level of tension this year has been far below that of last year's elections, when bomb blasts and brawls often prevented the parties from campaigning in areas where their opponents were strong.

Portuguese officials pointed to the relative order of this year's voting as an encouraging sign for the future of moderate political institutions here.

President Francisco de Costa Gomes urged the Portuguese on Saturday to "reflect profoundly and dispassionately" upon the nation's interests before voting.

Violence, he said in a televised address, has "cast a shadow here and there on the festival that living in liberty should constitute," an allusion to the stormy three weeks of campaigning for the election.

Cartoons in two newspapers exemplified the "less than civil terms" that Mr. Costa Gomes said "some groups" were using.

The pro-Communist *Diario* published a full-page cartoon showing a fat, top-hatted "collector" pulling dollar-sign pipe dreams beside a collection of idols that started with Hitler and Mussolini and wound up with Francisco de S. Carmona and Diogo Freitas do Amaral, respectively leaders of the centrist and conservative parties on the ballot.

The far-right paper *A Rua* showed the Socialist leader, Mario Soares, as a ballerina apparently perching on her own platform but with the other foot resting on a Communist support. The caption was "Mario Soares," an allusion to the Communist leader, Alvaro Cunhal.

Signs Constitutional Amendment Allowing Election

Franjeh Bows to Demand for New President

By James M. Markham

BEIRUT, April 25 (NYT)—After stalling for weeks, President Suleyman Franjeh yesterday signed a constitutional amendment that will permit parliament to select a new head of state.

Under intense pressure from a number of quarters—Syria, the Lebanese left and his own allies in the Phalangist party—the 65-year-old Christian head of state affixed his signature to the amendment, which was taken by courier from his refuge near the port town of Junieh to the secretary of the parliament's speaker at the Bristol Hotel in Beirut.

The signing, announced over a radio station loyal to Mr. Franjeh, coincided with an improvement in the security situation in this city, which has been battered by a year of civil war between leftist Muslims and rightist Christians.

Unidentified gunmen shelled central Beirut today, setting a large fire and bringing the day's death toll to 70, the Associated Press reported.

Security officials said 182 persons were wounded in gunfire that once again violated the truce in the year-old war. Shells exploded close to Beirut airport in a Muslim-controlled area, police said. Security officials earlier reported that both sides were de-escalating the fighting.

A week ago, radio stations opposed to Mr. Franjeh announced that he had signed the document, but this proved incorrect.

signed a petition calling for his resignation and shelling finally routed him from his palace east of Beirut on March 25.

Mr. Franjeh's signature, apparently obtained after his Phalangist allies threatened to break ranks with him, is only the beginning of a long political process.

Kamel al-Assad, speaker of the one-house parliament, called a meeting for tomorrow to fix the date for it to choose a new president, but there is nothing in the amendment that will oblige Mr. Franjeh to resign before his six-year term expires on Sept. 23. The amendment enables the election to be held six months before the end of the mandate instead of two.

The radio of the Phalange party hailed Mr. Franjeh's step as a "positive move." But it warned that unless security was immediately re-established, "the question of bringing in Arab and international troops before the presidential election will certainly be raised."

In the complicated maneuver-

ing over the apparently imminent election, two candidates, Raymond Eddé, an outspoken moderate who has alienated some rightists, and Elias Sarkis, governor of the Reserve Bank, are in the forefront.

In keeping with Lebanon's sectarian system, both men—as well as others mentioned as presidential hopefuls—came from the powerful Maronite Catholic communion.

Mr. Sarkis, who lost to Mr. Franjeh in 1970 by one vote, is thought to have the backing of Syria, Premier Rashid Karami, the President and some personalities in the Phalange.

But some Phalangists are reported to be leaning toward Mr. Eddé, who has the reputation of an activist and who has the backing of the Palestine Liberation Organization and a number of Muslim leaders.

FAO Chief Calls UN Unit a Victim Of Bureaucracy

LIMA, April 25 (AP)—The director of the UN Food and Agriculture Organization said yesterday that his agency's work is "inefficient because of bureaucracy." He called for the FAO's complete reorganization.

"Eighty per cent of its budget is destined to pay for a gigantic centralized bureaucracy in Rome, 11 per cent to put out publications that no one reads and the remaining 9 per cent to holding meetings and for travel expenses that are largely unnecessary," Edouard Saouma said at a regional FAO conference here.

The agency's annual budget is \$160 million, of which the United States contributes 25 per cent. Mr. Saouma, a Lebanese diplomat, said that hardly a dollar goes for agricultural development in Latin America.

He said that the FAO's headquarters has more than 4,000 employees in seven buildings throughout Rome. Every agricultural or food expert has a large staff of advisers, secretaries and other helpers, he said.

"The problem of food is too important for us to manage from Rome, where we are submerged in papers full of words," the FAO director said. He has been pushing for the creation of new sub-regional offices. He announced here that his office is working on a \$1-billion "international agricultural development fund," of which \$500 million is already committed.

For Offshore Drilling Halted by Communist Conquest

Oil Firms Seek to Return to Vietnam Despite Hanoi-U.S. Tensions

By Bernard Gwertzman

WASHINGTON, April 25 (NYT)—Despite a continuing chill in political relations between Hanoi and Washington, several U.S. oil companies have been invited by Vietnam to submit proposals for resuming offshore oil exploration that was suspended when South Vietnam fell to Communist forces a year ago.

The U.S. companies, as well as oil firms in Canada, France, Japan and Britain, have held secret negotiations with the Vietnamese and appear eager to resume drilling for oil in the potentially rich South China Sea.

One leading executive said he was convinced that "major contracts" would be signed this year with Hanoi to exploit the oil reserves. A New York banker said that Vietnam was preparing "to break out of its shell" and begin signing deals with Western companies—including U.S. ones—if the U.S. embargo on trade with Vietnam is dropped. A bill that Congress is considering likely to approve, over objections by the Ford administration, would lift

the embargo on a trial basis for six months.

Before the collapse of the Saigon regime last April, the U.S. companies involved in drilling off the South Vietnam coast were Union Texas, Skelly, Marathon, Mobil, Shell, Cities Service and Exxon.

Mobil and Shell both discovered oil but had to leave Vietnam before being able to test their finds, conclusively, industry officials said.

All the companies with the exception of Exxon have told State Department officials of their interest in negotiating a return to Vietnam.

After the initial shock at the military conquest of South Vietnam had passed, the Ford administration made tentative signals to Hanoi about possible U.S. government interest in a new relationship with Vietnam. For example, in a statement on Dec. 7 President Ford said that "we are prepared to reciprocate gestures of goodwill" and asserted that if Vietnam showed restraint, "we will look to the future rather than to the past."

But more recently the initial exchanges of diplomatic messages have not proven fruitful. And the situation has been exacerbated by the U.S. presidential election campaign.

Mr. Ford, irritated by presidential challenger Ronald Reagan's charge that he was too accommodationist to the Vietnamese, said on Thursday that "under no circumstances do we contemplate recognizing North Vietnam."

Secretary of State Henry Kissinger has offered to start preliminary low-level discussions. But after Hanoi responded to last month's U.S. "feelers" by repeating a demand that Washington supply economic aid, Mr. Kissinger said at a news conference Thursday that North Vietnam was issuing "ultimatums" and that such discussions could wait.

Assets Frozen

When a U.S. trade embargo was imposed on Vietnam and Cambodia last May, about \$60 million in Vietnamese funds and property and almost \$10 million in Cambodian assets were frozen in this country. In South

Vietnam, about \$50 million in U.S. assets were seized.

Beginning in 1972, the Saigon government sold exploration rights to nine different oil groups, which spent an estimated \$100 million in preliminary exploration and drilling. When Saigon fell, they were forced to remove their offshore rigs.

Last July, oil company executives told State Department officials that they would like to hold negotiations with the Vietnamese, even though they could not sign any business transactions because of the embargo.

The department, according to administration officials and oil executives, said it would not encourage such talks, but neither would it discourage them.

Two oil officials said that the middle-level officials in the department were quite supportive of the talks, in the belief that a U.S. presence in Vietnam might balance the growing Soviet involvement and supply an additional needed source of oil for Southeast Asia.

The first talks between oil companies and South Vietnamese officials were held in Paris last

July. The atmosphere was "excellent," according to a participant, in separate discussions between the Vietnamese and each interested company.

New Paris Needed

The Vietnamese emphasized that the previous agreements with Saigon were void and that new arrangements would have to be negotiated. But the Vietnamese underlined their interest in having the U.S. companies drilling offshore.

At present, the Soviet Union lacks the offshore drilling technology available in the West, experts say, and Vietnam has to turn to the West.

In the discussions, however, the Vietnamese mentioned that they expected the U.S. government to live up to a prior commitment to supply economic aid—a promise that Washington has renounced as the result of Hanoi's abrogation of other parts of the 1973 Paris cease-fire accord.

By last fall, the South Vietnamese in Paris were pressing the U.S. companies to come up with specific proposals for resuming drilling.

But at the same time, U.S. officials discovered that a new North Vietnamese energy agency was holding separate negotiations with French and Japanese companies.

This convinced the U.S. companies that Hanoi was the real power, and they decided to negotiate with the North Vietnamese in Paris instead of with the South Vietnamese.

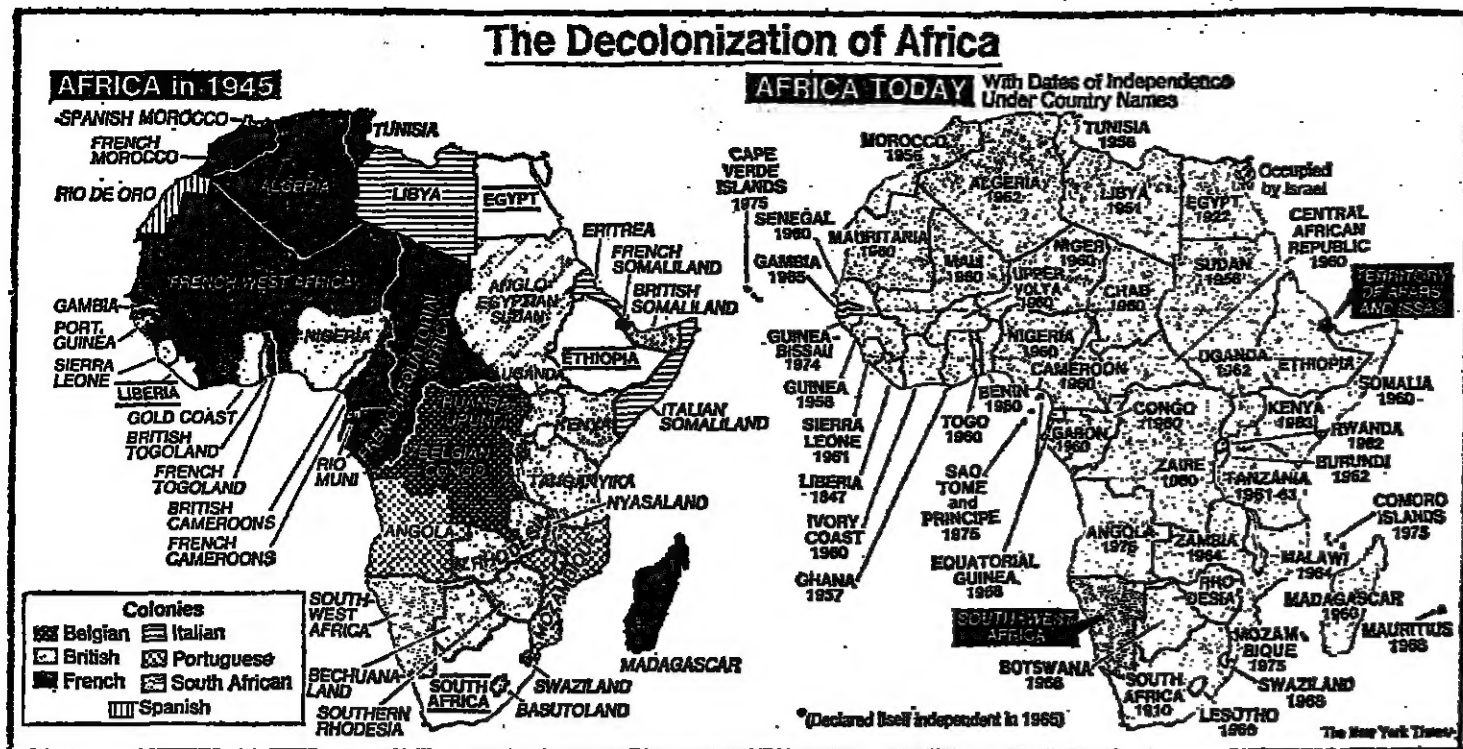
The North Vietnamese reaction, according to U.S. oil executives, was: "Delighted to have you. No problem in having you drill offshore. Give us a proposal."

Scope Widened

But as the negotiations progressed, the North Vietnamese enlarged the scope of the possible deal and suggested that the U.S. companies not only agree to drill for oil but also commit themselves to building refineries, petrochemical plants and other industrial enterprises throughout Vietnam.

This would be a multibillion-

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Oil Firms And Vietnam

(Continued from Page 1)

dollar operation, and the U.S. companies were afraid to make any commitments since they did not have accurate information on how much oil is actually in the South China Sea.

"Progress began to bottom out" in the talks, an oil official said, because of Hanoi's insistence on a grandiose package. But in November and December, Hanoi sought advice from Sonatrach, the state oil company of Algeria, and the Algerians advised the Vietnamese to drop the large-scale plans and "find out first if you have oil," a U.S. oil official said.

By February of this year, he said, Hanoi was beginning "to see the light" and was again urging that proposals be made just for drilling rights.

At about this time, a congressional committee was holding talks with the North Vietnamese in Paris and later in Hanoi to secure additional information on the 800 U.S. personnel still listed as missing in action and on about 2,000 who have been declared dead but on whom little data is available.

To encourage the North Vietnamese to be more forthcoming, the House International Relations Committee accepted an amendment offered by Rep. Jonathan Bingham, D-N.Y., that would lift the trade embargo at least temporarily.

Aid Authorization

The current aid authorization bill, due to be voted on in Congress soon, contains the Bingham provision lifting the trade embargo for six months. At the end of that period, it will be reimposed unless President Ford reports that Hanoi has provided a continuing flow of information about the missing in action.

This will allow the oil companies at least a "six-month window" for making deals with Hanoi, but most officials interviewed doubted that the companies would take a risk in that short period.

It is possible, some officials speculated, that if it became clear that Hanoi was sending information about the missing, the French, Japanese and Canadians seem to be more likely to sign contracts than the U.S. firms, oil industry executives believe.

Bulgaria Premier Shifts

VIENNA, April 25 (Reuters).—Bulgarian Deputy Premier Ognan Doinov has given up his government job after being appointed secretary of the Communist party Central Committee, the Bulgarian news agency reported yesterday.

State Department Supplies TV With a Mixed-Up View of Africa

By Austin Scott

WASHINGTON, April 25 (UPI).—A mix-up among black faces has caused some red faces at the State Department.

Late Wednesday, the department sent photographic slides of five African leaders whose countries Secretary of State Henry Kissinger is visiting to 505 television stations around the country.

Friday morning, officials discovered that three of the slides carried the wrong names.

The one labeled "President [Jomo] Kenyatta of Kenya" was actually of President Kenneth Kaunda of Zambia. The one marked "President Kamba" was actually President Mobutu Sese Seko of Zaire. The one labeled Mr. Mobutu was Mr. Kenyatta.

Julia Moore, the media liaison officer who discovered the error, said her office, in charge of the project, was "horrified." She said the mix-up was made by a private company, Photo Lab Inc. of Washington, which duplicated and mailed the slides for the State Department. Company officials could not be reached.

The department sent out a correction letter Friday, she said, and received some phone calls from stations that had spotted the error on their own.

Although Mr. Kissinger is visiting seven countries, including Senegal, Liberia, Ghana and Tanzania, on his first official trip to black Africa, slides of only five leaders were mailed out.

The department aide said that despite a search of almost a month, and checks of African embassies and the White House as well as other sources, no recent color photos of Ghana's chief of state Ignatius Acheampong, or of President Julius Nyerere of Tanzania could be located.

Rhodesia Soldier And 2 Guerrillas Slain in Clashes

SALISBURY, Rhodesia, April 25 (AP).—Two nationalist guerrillas and a Rhodesian soldier have been killed in renewed clashes along Rhodesia's southern border with Mozambique, security force headquarters announced yesterday.

A rifleman, Gilbert Botha, 20, was killed and two other soldiers wounded in a guerrilla ambush, a communiqué said. A Game Department employee also was wounded.

In follow-up operations, two guerrillas were killed by Rhodesian forces and several captured, the communiqué said.

Guerrillas Hunted

WINDHOEK, South-West Africa, April 25 (AP).—South African troops yesterday combed the region of South-West Africa (Namibia) east borders on Angola for guerrillas who shot to death four white South African soldiers in an ambush.

A military spokesman at a South African military base at Grootfontein also confirmed for the first time that seven South African soldiers were wounded in the attack Thursday.

A number of guerrillas, believed to be members of the South-West African People's Organisation, apparently also were wounded in the clash, the spokesman said.

IRA Defies Ban On Dublin March To Mark Rising

DUBLIN, April 25 (UPI).—Thousands of flag-waving supporters of the outlawed Provisional IRA marched through the city center today in defiance of a government ban on their commemoration of the 1916 uprising against British rule.

The demonstration passed almost without incident. But at least one policeman was injured in a scuffle near the General Post Office, where the Irish Republic was proclaimed 60 years ago.

Several hundred policemen lined the 1 1/2-mile route. A battalion of troops stayed in the background as the marchers, chanting "We are the Provos," received scattered applause along the way.

The police had declared the march illegal and warned that those taking part were liable to prison sentences.

Casualties in Ulster

BELFAST, April 25 (Reuters).—One man was killed and about 34 persons injured in Northern Ireland last night by bombs and gunfire, with Catholic-owned bars the main target, the police said today.

New Yorkers Jailed

NEW YORK, April 25 (Reuters).—A New York gun dealer and a member of the Irish Northern Aid Committee here were sentenced to jail Friday in a case involving the shipment of 12 rifles to Northern Ireland.

Africa Arms Barred by U.S.

(Continued from Page 1)

Zaire, Ghana, Liberia and Senegal.

In his 24-hour stop in Kenya, Mr. Kissinger visited President Kenyatta at his country residence in Nairobi, 100 miles north of Nairobi, mingled with tribal dancers, and viewed Lake Nakuru's famed pink flamingos. He told reporters that the talks with Mr. Kenyatta were conducted in "the most friendly atmosphere."

Kenya is militarily weaker than its Communist-supplied neighbors, Uganda and Somalia, and Mr. Kissinger said the United States "is giving some military assistance" to Kenya, and that he and Mr. Kenyatta discussed that aid as well as the overall political and military situation in east Africa.

In Nairobi, Mr. Kissinger said last night that the United States was urgently preparing to help black Africa's drives for "human dignity and racial equality" and for "economic progress." But he asked for time for the United States to try to help organize new attempts at a peaceful solution in Rhodesia, where there is a major threat of expanding Communist-supported guerrilla warfare.

Integrated Policy

Newsmen aboard Mr. Kissinger's plane on the flight from Britain to Kenya were told that it would take many months for the Ford administration to assemble an integrated policy of political, economic and psychological approaches to the complex of African problems.

To many African leaders, this is certain to look like a stretch-out extending through the presidential election campaign.

Mr. Kissinger is attempting to convince the Africans that the United States is now prepared to take concrete action on what he called Africa's most urgent economic development needs.

This would be done through a new program of financing production of resources that Mr. Kissinger is to present to the UN Conference on Trade and Development when he returns to Nairobi in 10 days.

Mr. Kissinger met Saturday morning with British Foreign Secretary Anthony Crosland at the Royal Air Force base at Waddington, north of London. He told newsmen at the meeting that "our views and those of the United Kingdom—as far as I can determine—are identical" about Rhodesia, which declared its independence from Britain in 1965.

Both agreed that there must be "rapid majority rule" in Rhodesia.

Belgium, U.K. Study New Hydrofoil Ferry

BRUSSELS, April 25 (Reuters).—British and Belgian transport authorities are considering an experimental passenger service across the English Channel using the Boeing Company's new jet-powered hydrofoil, a Belgian transport ministry spokesman has said.

He said the vessel, called "Jetfoil," would cover the 180 kilometers from Ostend to London in two hours and 20 minutes—compared to the present four-hour ferry service from Ostend to Dover. No dates for the experiment were disclosed.

Moro Faces Debate and Confidence Vote in Italy

By Sari Gilbert

ROME, April 25 (UPI).—Italy's Christian Democrats held yesterday for a parliamentary debate that is widely expected to lead to the defeat of their present minority government and pave the way for early elections.

After a five-hour meeting of the party's top leaders, the Christian Democratic executive committee voted unanimously to ask Enrico Aldo Moro to "verify" whether his government could still command a parliamentary majority.

After a week of intensive consultations by party secretary Benigno Zaccagnini with the leaders of other parties, including the Communists, the Christian Democrats had been expected to make a choice between early elections this June, as demanded by the Socialists, and an emergency economic and political legislative program that would have given the Communists a share in decision-making on selected issues.

But divisions within the party, as well as fear of elections when three of the party's major leaders—Mr. Moro, President Giovanni Leone and Foreign Minister Mariano Rumor—are under suspicion in connection with the Lockheed bribery case, have kept the party from making a clear choice on this issue.

Socialists Hold Balance

By sending Mr. Moro to Parliament to ask for a vote of confidence on an extensive economic and political package worked out last week by Mr. Zaccagnini, the Christian Democrats are trying again to get the small Socialist party to take the blame for sending the country to the polls at a time of economic disarray and political confusion.

There is widespread concern that a political campaign in which the Christian Democrats will be on the defensive against the Communist party, which won 30 percent of the vote in local elections last June, will lead to increased political violence and new problems for the already weakened lira and stock exchange.

Yesterday's decision also appeared to be a compromise between the right wing of the Christian Democrats, which favored a premier who would lead the party into elections, and the reformist wing led by Mr. Zaccagnini, which favored continued talks with Italy's other parties in a last-ditch attempt to avoid a vote now.

Once Mr. Moro goes before Parliament, probably this week, it will be up to the Socialists to decide whether or not to abstain, as they did when the minority government took office on Feb. 11, or—as seems more likely—to vote against Mr. Moro's package and bring the government down.

Whether the Moro government actually resigns, however, is no longer really the issue. For after Mr. Zaccagnini's statement yesterday that "a majority different from that on which the Moro government rests, is unthinkable," a negative vote by the Socialists would be enough to justify a decision by President Leone to dissolve the Parliament and set new elections for June.

U.S. Cites News Leaks

WASHINGTON, April 25 (AP).—The Justice Department said yesterday that it may stop giving information on Lockheed payoff scandals to the Italian government because of apparent violations of a secrecy agreement.

Assistant Attorney General Richard Thornburgh said that stories in the Italian press on the Lockheed payoff indicate "that documents provided to Italian law enforcement authorities... may have been improperly disclosed."

Italian newspapers have reported that a former premier, code-named "Antelope Cabbler" in Lockheed documents, accepted

96 Iran Students Said To Fast in Indian Jail

NEW DELHI, April 25 (Reuters).—Ninety-six Iranian students, in jail here for protesting a deportation order issued for a colleague, have begun a 48-hour hunger strike, Iranian student representatives said today. The colleague, Mansoor Najafi Shushari, is in hiding.

Iranian Embassy officials here said they had no knowledge of the strike. Police arrested 119 students, who were detained in Delhi's Tihar Jail. Then 23 were moved to Aligarh Prison about 80 miles southwest.

June Election Seen Likely

payments during the late 1980s when Italy negotiated the purchase of 14 C-130 cargo planes for its air force.

The premier was not named. The three Christian Democrats who served as premier during those years have denied any part in the payoff.

Bribes Called 'Extortion'

LONDON, April 25 (Reuters).—A British oil executive, Sir

Frank McFadden, has hit back at critics of political contributions in Italy and other countries by the big oil firms, saying such payments should not be called bribes but "extortion."

Sir Frank, chairman of the Shell Transport and Trading Co.—the British end of the Anglo-Dutch Shell group—was speaking on a television program here.

Both Shell and British Petroleum recently admitted that their Italian subsidiaries had paid over

23 million (\$5.5 million) in political parties between 1972

"People talk quite glibly about bribes," he said, "but I'd ask some of the people who are so close to sanctimonious about what they would do if it was \$200 million invested in a stock market and a politician with a death in his pocket was said 'Give me \$10 million.' And the else a several forms."

Formation of Group Is Considered

Connally Plans to Aid Italy Anti-Red Drive

By Nicholas C. Chris

HOUSTON, April 25.—Former Treasury Secretary John Connally is planning to form a U.S. anti-Communist organization aimed at giving moral and perhaps financial support to Mediterranean countries where Communist parties appear to be close to power.

Mr. Connally's immediate concern, according to sources familiar with his plan, is Italy, and he has considered forming an organization of Italian-Americans headed by Jack Valenti, head of the Motion Picture Association of America.

The plan is seen by some political observers as another attempt by Mr. Connally to keep his name before the public. He has said he is not a candidate for public office this year, but there has been speculation that Mr. Connally would like to be secretary of state if President Ford is elected in November, or perhaps establish himself as a viable Republican candi-



John Connally

didate for the presidency in 1980. As a member of the influential Houston law firm of Vinson, McKinn, Searls, Connally and

Smith, the former Treasury

secretary also has extensive business interests in the East.

Mr. Valenti is an old friend of Mr. Connally and a former president of the Italian American Council. Connally had telephoned Valenti to discuss the matter and the possible formation of a "Mediterranean organization."

Mr. Connally believes the Italian Communist comes to power, it might have a domino effect in the Mediterranean area that would threaten U.S. shipping.

"The idea is to gain public support for an anti-Communist movement," Mr. Connally said, "and to take them to several of the Mediterranean area."

In Party's Southern Stronghold

Portuguese Far Left Challenges Communism

By Jim Hoagland

BALEIRO, Portugal, April 25 (UPI).—The weather-roughened farmers who tend the olive and orange groves of this small village in southern Portugal make no secret of their political sentiments.

"Shoot the police," one of them has scrawled in bright red letters across the whitewashed wall of his concrete house. "Death to the capitalists and the CIA," a neighbor demands. "Better housing for the people," Baleiro's moderates have written in blue paint on the wall of a radicalism run deep in Baleiro, which was the scene of a locally famous strike by farmworkers that was broken up violently by police in 1954. It has long been a political shrine for Portugal's Communist party, which won 55 per cent of the 920 votes cast here in the elections last year for the Constituent Assembly.

The peasants here are among those who have benefited from the land reform sponsored by the Communists following the 1974 military revolution. Nearly 25-million acres of farmland have been taken away from large landholders and redistributed.

Far-Left Groups

But the most radical signs painted on the desolate village's walls for the parliamentary election campaign are not the work of the Communists. In a measure of a trend that appears to be spreading across the once heavily Communist south, there are as many wall signs supporting far-left groups that strongly attack the Communists as there are for the Communists.

"We could not believe it, but some of our young people have become unhappy with the party and have become Maoists or adventurists," a farmer said yesterday when asked about the signs.

The contest between the Communists and the far left in the Alentejo region here was one of the most significant battles in the national voting today for Portugal's first freely elected parliament in 50 years.

Eight far-left parties are competing in the scramble for the 263 parliament seats. They are attacking the Communists as strongly as they are the other main parties—the Socialists, the Popular Democrats and the Social Democratic Center.

Their challenge is most important here in the fertile farming region of the Alentejo, where the Communists won 34 of the 30 seats they gathered in the Constituent Assembly. Eleven Communist assemblymen were elected from Lisbon and only five came from the more conservative north.

Losses here would be psychologically devastating to the already embattled Communists, who form the only large Western

European Communist party that is still completely faithful to Moscow's brand of Marxism.

The far-left parties are attacking the Communists not only for adhering to "Stalinist bureaucracy and repression" but also for "betraying the revolution" by cynically abandoning one-time military allies when the tide turned against them.

The two cases most frequently cited are those of former Premier Vasco dos Santos Gonçalves, who was ousted by the ruling Revolutionary Council, in August without serious protest from the Communists, and the failure of the Communists to take to the streets to support an abortive uprising by leftist paratroop units on Nov. 25.

At a news conference in Lisbon last week, the Communist party leader, Alvaro Cunhal, stressed the "different experiences" his party has undergone when asked about the new liberal stances taken by the Italian and French Communist parties, which have

operated legally since the

World War II. He dismissed the Leninist theory of the "two-stage" revolution as a "Western, democratic, Marxist alternative to orthodox science."

"There is no such thing as communism," he said. "Communism is a myth."

He also refused to be from the concept of the ship of the proletariat, a term dropped by the Communists.

The Portuguese party pedaled using the term in 1974, but we do not recall the concept. The problem is that people's under years of fascist ship, had in understanding it was no such thing as the proletariat.

The juxtaposition of the ship of the proletariat is understandable for those not familiar with the concept. It could be interpreted as a metaphor for the ship of the proletariat, a term dropped by the Communists.

The party, which claims to 120,000 active members, staged a well-financed election to increase its share of the vote.

That, total assets of the party are in seven provisional groups and sent shock waves in Western Europe, where the question of whether Portugal going Communist was with urgency.

The troubles that the party here has in the past suggested its pull in its own backyard. If children do not understand we are here, how can we the farmer in Baleiro?

Cholera Kills 10 in Java

JAKARTA, April 25 (Reuters).—Ten persons died from cholera in West Java last week and more than 200 were hospitalized by the disease, an official spokesman said today.

Leningrad Mont Getting a Check

MOSCOW, April 25.—The delicately balanced statue of Peter I in Leningrad is undergoing a physical check-up, reported.

The 194-year-old statue, now covered by scaffolding, has its surface examined for cracks and metal samples taken from the interior.

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G HAND—Connecticut Gov. Ella Grasso adjusted a miner's lamp for Democratic hopeful Henry Jackson before touring a coal mine near Pittsburgh.

Rockefeller Is Challenged Reds-in-Congress 'Charge'

By James M. Naughton

WASHINGTON, April 25 (AP)—The Democratic Party's leading presidential candidate, Sen. Nelson Rockefeller, was challenged today by a group of radicals who charged that he had allowed communists to infiltrate his staff.

The challenge, which was made at a meeting of the New York City chapter of the National Lawyers Guild, was a direct attack on Rockefeller's record as governor of New York and as a member of the Senate.

The group, which included several well-known radicals, accused Rockefeller of allowing communists to infiltrate his staff and of using his position to advance the interests of the Soviet Union.

The challenge was made at a meeting of the New York City chapter of the National Lawyers Guild, which is a radical organization that has been accused of being a front for the Soviet Union.

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High Court Bars Case on Vote Funds

Presidential Hopefuls
In U.S. Lose Pleas

By John P. Mackenzie

WASHINGTON, April 25 (WP).—The Supreme Court has refused to consider pleas by seven presidential aspirants that U.S. funds for their financially ailing campaigns be freed.

In a brief order on Friday, the justices denied a series of motions filed on behalf of Republican challenger Ronald Reagan and six Democrats—including a motion to be heard in the high court.

The six Democrats are former Gov. Jimmy Carter of Georgia, former Sen. Fred Harris of Oklahoma, Sen. Henry Jackson of Washington, Sen. Frank Church of Idaho, Rep. Morris Udall of Arizona and Gov. George Wallace of Alabama.

Justice Lewis Powell Jr. said in a separate concurring statement that the Supreme Court no longer had any power to help the candidates, even if it wanted to.

Shift in Jurisdiction

Jurisdiction over the matter was passed to the U.S. Court of Appeals following the Supreme Court's Jan. 30 decision stripping the Federal Election Commission of the power to authorize the subsidies, Justice Powell said.

The candidates also had filed their plea with the Court of Appeals, which earlier Friday gave them the right to file motions and legal briefs.

The candidates have told both courts that their campaigns have been "severely disrupted and curtailed" by the interruption of matching funds from the commission. Claims of nearly \$2.4 million in matching funds have accumulated during the last month.

They asked the courts to permit the subsidies until Congress and the President approve legislation reversing the commission's objections to its makeup.

The high court ruled on Jan. 30 that all of the commission's members must be presidentially appointed. Four of the six members had been selected by Congress.

President Ford has refused to say whether he will sign a bill slated for action this week by a Senate-House conference committee.

Panama Leader Assails Reagan Stand on Canal

KINGSTON, Jamaica, April 25 (AP).—Panama's leader, Gen. Omar Torrijos, charged last week that U.S. presidential candidates are treating the Panama Canal issue with "irresponsibility."

In a comment directed at former California Gov. Ronald Reagan, who has vowed that the United States must not give up the canal, Gen. Torrijos said: "One candidate gives the idea that Cassius Clay writes his material"—a reference to heavy-weight boxing champion Muhammad Ali.

Asked if he meant Mr. Reagan, Gen. Torrijos replied: "I am referring to the same person you are thinking of."

The Panamanian leader refused to comment directly on President Ford's recent statement that a halt in negotiations could turn all of Latin America against the United States and trigger riots.

He said that his government has given the United States until next year to settle the canal question. Current negotiations on the future of the canal began in 1964.

Japanese Seize Kodama Assets

TOKYO, April 25 (Reuters).—Japan's national tax office said today it had seized assets valued at \$238,000 of Yoshio Kodama, the ultrarightist central figure in the Lockheed payoff scandal here, for failing to report his full income for 1975.

The agency did not elaborate, but Japanese news reports said that Mr. Kodama, 65, had failed to report in his 1975 tax return money he is alleged to have received as a "secret consultant" for the Lockheed Aircraft Corp.

Lockheed officials said in a U.S. Senate hearing that the company had paid millions of dollars over several years to Mr. Kodama in an effort to sell its planes in Japan. He is already under indictment for alleged income-tax evasion totaling nearly \$3 million in the early 1970s on money received from Lockheed.

Mr. Ford recouped somewhat in Minnesota, where candidates supporting him won 9 of the 12 convention seats filled. Mr. Reagan had one delegate and the two others were uncommitted.



Dorothy Fosdick

Carter Offers Economic Plan To Spur Jobs, Curb Inflation

By David S. Broder

PHILADELPHIA, April 25 (WP).—Jimmy Carter has made public a "comprehensive" economic plan that he said would produce a balanced government budget and reduce unemployment and inflation to the 4-per-cent level by 1983.

He issued the proposal Friday in a 2,500-word statement drafted by an eight-member economic task force which met with the Democratic presidential hopeful here Thursday night. The plan calls for expansionary monetary, fiscal and budget policies aimed at "a rapid reduction" in the current 7.5-per-cent unemployment rate.

But it places less emphasis on direct government employment than the plans of other Democratic presidential candidates or legislation advanced by such congressional Democrats as Sen. Hubert Humphrey, D-Minn.

Mr. Carter said his "major emphasis" would be on stimulating private employment as the only source of what he called "real, permanent jobs."

In a formal statement launching another day of campaigning for Tuesday's Pennsylvania primary, the former governor of Georgia, packaged some economic proposals that he has made in various forums since the beginning of the year.

State Primary

Mr. Carter's task force, said that quibbles about the meaning of "adult unemployment" could be avoided by saying that Mr. Carter's goal was an overall 4-per-cent unemployment rate.

Reagan Makes Gains

NEW YORK, April 25 (AP).—Ronald Reagan's campaign to wrest the Republican presidential nomination from President Ford took an upward turn yesterday when the former California governor fared well in delegate selection in areas where he said he would—the South and Southwest.

Rep. Morris Udall, meanwhile, rolled to an easy victory in the informal Democratic primary in his home state of Arizona, picking up about three-quarters of the vote with roughly half the returns in.

Mr. Reagan won 27 of 28 national convention delegates at the Arizona Republican Convention, outdistanced Mr. Ford in Oklahoma county conventions and picked up 23 delegates to six for Mr. Ford at the GOP convention in South Carolina, where he may eventually get 27 of the state's 38-member delegation.

In addition, Mr. Reagan was running strong in Missouri precinct caucuses, which have been going on since Tuesday.

Mr. Ford recouped somewhat in Minnesota, where candidates supporting him won 9 of the 12 convention seats filled. Mr. Reagan had one delegate and the two others were uncommitted.

Dr. King Honored

ATLANTA, April 25 (AP).—Ten miles of downtown streets have been renamed in honor of the late Dr. Martin Luther King Jr. The Atlanta City Council voted to rename three connecting streets Martin Luther King Jr. Drive.

U.S. Presidents' Press Aides Say They 'Lied' Inadvertently

By Lou Cannon

AUSTIN, Texas, April 25 (WP).—Presidential press secretaries for three administrations have said they had "lied" to reporters. All said they did so inadvertently, usually because they had been given inaccurate information by White House staff members.

These acknowledgments were made Friday by George Christian of the Johnson administration, Ronald Ziegler of the Nixon administration and J.F. terHorst and Ron Nessen of the Ford administration during a symposium on the presidency and the press, sponsored by the Lyndon Baines Johnson Library.

Mr. Ziegler declined to go into detail about specific untruths that he told but, in response to a question, he said: "Obviously things that were said about Watergate turned out to be untrue and we all know that."

"I was never asked to go before the press corps and tell a lie," Mr. Ziegler said.

Inaccurate Data

Mr. Christian said he had "lied" to reporters after he had been given inaccurate information by Pentagon officials and White House staff aides on various issues.

Mr. terHorst quit the Ford administration after only 30 days as press secretary because staff aides withheld information from him about the Nixon pardon and Mr. terHorst in turn misled reporters who inquired about it. Mr. Nessen, who succeeded him and still holds the job, said he almost resigned recently because White House aides withheld from him the information that Mr. Nixon had submitted to President Ford a report on the former president's China trip.

Mr. Nessen said that Mr. Ford had persuaded him to stay.

During the daylong symposium, which also involved present and former White House reporters, the operation of the White House press office and the performance of the White House press corps repeatedly were criticized.

Double Standard

Mr. Nessen said that the press does not apply the same standards of criticism to itself that it does to other institutions and is reluctant to admit mistakes. In a spirited exchange with Helen Thomas of United Press International, Mr. Nessen accused UPI of being "one of the worst of-

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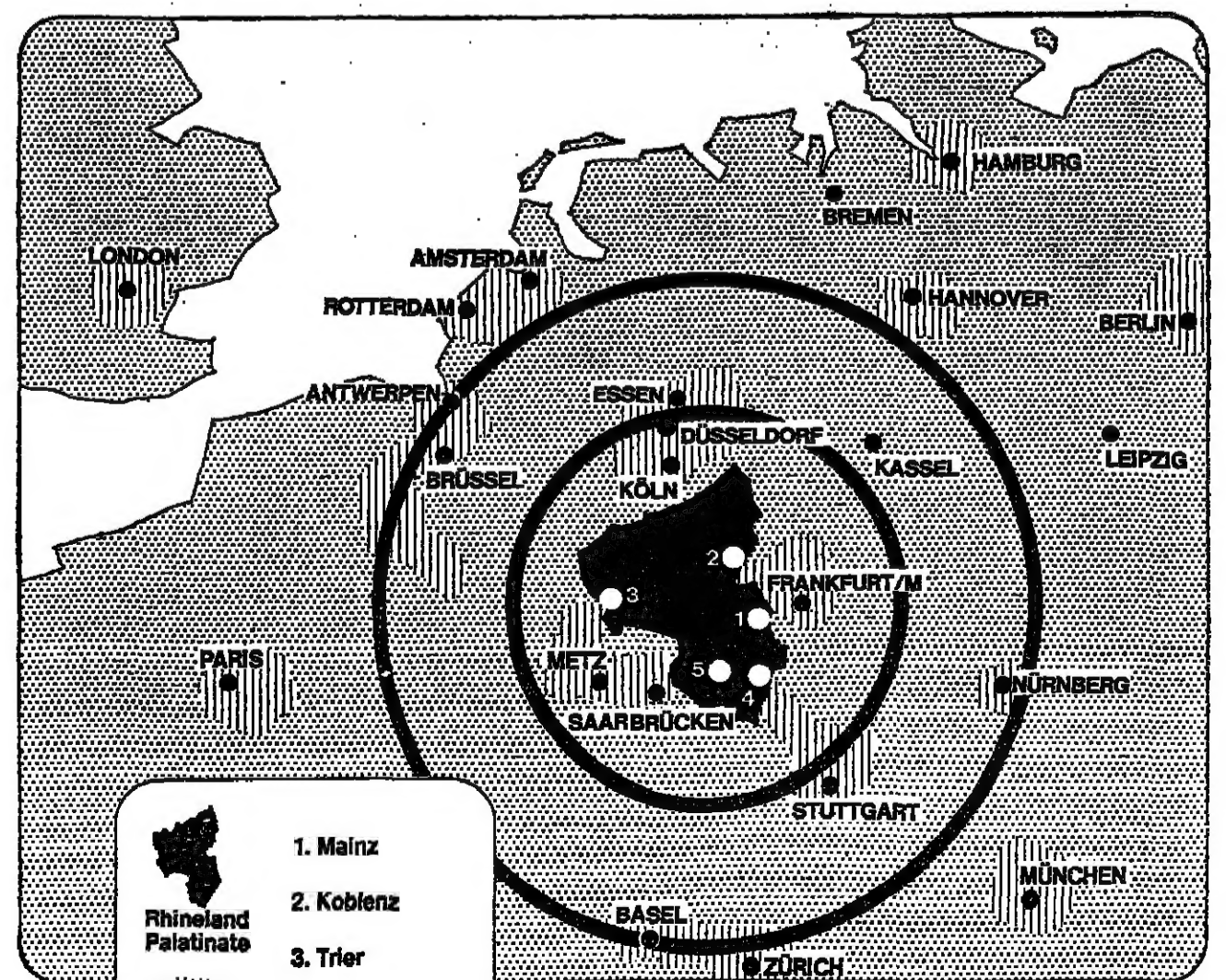
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Confirming Rep. Aspin's Analysis of Russian Menace

Half of Soviet Forces Found 'Nonthreatening' to U.S.

By John W. Finney

WASHINGTON, April 25 (NYT).—Intelligence estimates prepared at the Defense Department show that nearly half of the Soviet Union's military forces are engaged in essentially civilian work or are assigned to military missions not directly threatening to the United States.

The estimates, prepared by the Defense Intelligence Agency, conform closely to an analysis of Soviet military manpower made by Rep. Les Aspin, D-Wis., who has been arguing that the growth in Soviet forces was less threatening than generally portrayed by Defense Department officials.

In urging Congress to approve a \$113-billion defense budget, Defense Secretary Donald Rumsfeld has emphasized the growth in the size of the Soviet military forces. He has repeatedly made the point that "Soviet military manpower has grown (and is) now more than double U.S. forces."

According to the Rumsfeld calculations, Soviet military manpower has grown a third in the last decade—to a level of 4.4 million, including 400,000 border and internal security forces. In contrast, he points out, U.S. military strength has dropped from 3.5 million in 1968, at the peak of the Vietnam war, to 2.1 million.

Intelligence Analysis

Mr. Rumsfeld's calculations and interpretations have been challenged by Rep. Aspin, who, as a member of the House Armed Services Committee, has access to the Defense Intelligence Agency estimates. Relying in large mea-

sure on the intelligence analysis, Rep. Aspin has argued that, when "nonthreatening" forces are deducted, the Soviet forces appear "distinctly smaller" in terms of the threat that they present to the United States.

In support of his argument, Rep. Aspin provided a breakdown of the Soviet military forces showing that the Soviet Union had about 2.2 million troops "who do work we assign to civilians or

perform tasks that cannot be considered threatening to us."

Rep. Aspin also pointed out that when the Pentagon last year reported a 600,000-man increase in the Soviet forces, "it neglected to mention an important detail," namely that the intelligence community simultaneously reduced its estimates of civilians employed by the Soviet military by an equal 600,000.

In response to inquiries by The

New York Times, the Defense Intelligence Agency confirmed the basic accuracy of the figures used by Rep. Aspin, although it differed with him on some details. The differences, however, were not great enough to challenge Rep. Aspin's basic point that when "nonthreatening" troops were deducted, the opposing military forces were not that much different in size.

Rep. Aspin's calculations, sup-

ported in large measure by the Defense Intelligence Agency's estimates, listed the following categories of "nonthreatening" Soviet forces:

- About 430,000 troops are maintained by the Soviet Ministry of Internal Affairs and the Committee of State Security (KGB) for internal security and border patrols. In the United States, the National Guard, which maintains security during riots, and the border patrol of the immigration and naturalization service are not included in the 2.1-million figure for U.S. military forces.

- The Soviet Union uses 170,000 military personnel in research and supply jobs that are staffed primarily by civilians in the United States.

- Scattered throughout the Soviet forces are 300,000 persons wearing uniforms but doing jobs reserved for civilians in the United States. As Rep. Aspin points out, the Pentagon in recent years has been "civilianizing" many military jobs, partly because in the long run a civilian costs less than someone in service.

- About 20,000 servicemen are assigned to the civil defense program in the Soviet Union. In the United States, civil defense is a civilian operation with only one military man—an Air Force lieutenant colonel—assigned to it.

- According to Rep. Aspin, in the Soviet Union 250,000 men, apparently working from basic training, are kept in uniform to do construction work that is handled by civilian contractors in the United States. The Defense Intelligence Agency does not dispute the number but contends that the construction troops are a "functioning equivalent" to Army Engineer troops in the United States and could be used to support combat troops in wartime.

- By Rep. Aspin's calculations, 180,000 Soviet troops are assigned to the railroads and to work on military farms. The Defense Intelligence Agency contends that 75,000 railroad troops maintain lines of communications in the large Soviet land mass and thus they are "equivalent" to U.S. Navy forces maintaining sea lines of communications for the United States. The agency also maintains there are no Soviet "farm troops" as such but only regular troops periodically assigned to farm labor.

Rep. Aspin maintained that there were "other anomalies" in the Defense Department numbers that tended to exaggerate the comparative size of the Soviet military forces. Subtracting all these different categories, Rep. Aspin comes up with a Soviet force of 2.6 million men that could be "considered threatening to us."

In addition, he placed 555,000 Soviet troops in a "gray area" where there was some doubt whether they were threatening to the United States.



A Grenoble, France, farmer knocking snow from fruit trees.

Snow in France, Switzerland Bars Passes; 300 Evacuated

PARIS, April 25 (NYT).—Heavy snowfalls and below-freezing temperatures were reported throughout eastern and central France this weekend and some mountain roads usually open all winter were temporarily blocked by snowdrifts.

More than 35 centimeters of snow (14 inches) fell on the French side of the Pyrenees mountains and several border crossings to Spain were closed.

Most Swiss Alpine passes were closed and winter tires or chains were required for all other mountain roads. Between 10 and 98

centimeters of snow fell in the Bernese Oberland, the Grisons and the Valais Alps.

Swiss helicopters evacuated skiers trapped in high mountain lodges and resorts. About 10 military and private copters brought about 300 tourists down to the valleys of the Bernese Oberland and the southern Valais.

In Bolzano, Italy, an avalanche fell on seven German teen-agers and their guide in the community of Curolo Venosta near the Austrian-Italian border today. "Lying at least two youngsters. Rescuers dug out two others alive and were searching for four more."

Russians Clash With Chinese, Walk Out of Sea Law Parley

UNITED NATIONS, N.Y., April 25 (AP).—The Soviet delegation walked out of a UN sea law conference on Friday after a spat with the Chinese that conference sources described as "one of the most violent ever."

Bitter Soviet-Chinese clashes

are routine in UN debates, but conference sources said this was the first face-to-face run-in between the two Communist rivals in the six-year history of the 156-nation effort to write a global law of the oceans.

Speaking in a plenary debate on "peaceful uses of ocean space," China's Lai Ya-li accused the Russians of "wildly ambitious" expansion of naval forces, "expansionist ambitions" and sending fishing fleets "dashing across every ocean... to plunder other countries' fishery resources and conduct espionage activities."

The Soviet delegation chief, Semyon Kozlov, unsuccessfully tried to muzzle Mr. Lai on a point of order. Bulgaria and Cuba quickly rose to back the Soviet Union.

Toward the meeting's end, China again asked to be heard and Mr. Kozlov led his and other East-bloc delegations off the floor.

2 Bombs Damage Rail In Northern Malaysia

IPOH, Malaysia, April 25 (AP).—Two bombs believed set by Communist guerrillas damaged the tracks of Malaysia's main north-south railroad near this northern city today, causing trains to be delayed more than five hours.

Officials said some Communist flags were found near the damaged areas. No trains were in the vicinity and no injuries were reported.

It is estimated that about 300 guerrillas of the banned Communist party operate in Malaysia.

Busing Foes Hold March in Washington

But Congressmen Away on Vacation

By Ernest Holendolph

WASHINGTON, April 25 (NYT).—A crowd of 2,000 demonstrators—estimated by some to be as large as 4,000—marched peacefully yesterday to the foot of the Capitol, urging congressional action to block court-ordered busing.

Along the line of march, carrying Confederate flags, banners and the U.S. flag turned upside down, was a mixture of people from Louisville, Ky., Klan members, Wallace-for-President boosters and veterans of the Vietnam war.

At the head of South Main St. (Restored) contingent, she told the crowd demonstration for peace Friday was a "Chambers" because business tourists would be in the city.

The longest speech hour-long program march was by a Rev. Phil Loving, indicted the Department of Health and Welfare, the dark powers of the behind the yellow "HUD is the most in our cities," he says, "it's our land-use, it's how you live."

The march was organized by Louisville group called Labor Against Busing, vited other anti-busing participants.

The demonstration was part of an anti-busing Congress is still on session.

Gov. Noel Apologized. PROVIDENCE, R.I. (AP).—Gov. Philip Noel, of the Democratic National Committee, apologized for remarks he made at a committee meeting in City.

The remarks for which he apologized were: "Take a kid from a ghetto, bus him across town to a school, he's there 12 hours under classroom instructions. Then he's back in the ghetto for another 19 hours or 18 hours."

"The other 18 hours, he's back in that sweatshop or wherever he comes from with the drunken father and the mother that's out peddling her ass or whatever."

Gov. Noel made those remarks in a tape-recorded interview with the Associated Press on Oct. 20, 1975. The statement was not carried by the AP, but syndicated columnist Jack Anderson used it in a column used by many newspapers in the nation yesterday.

Gov. Noel said in the October interview, as he has said on other occasions, that he opposes court-ordered busing and that busing should not be part of the Democratic platform.

He said yesterday he did intend his remarks as a racial slur.

"But evidently to people in other parts of the country, especially blacks in other parts of the country, that language is considered as some kind of ethnic slur," he said.

Bodies of Six Found On Uruguayan Coast

MONTEVIDEO, April 25 (UPI).—Uruguayan police, naval authorities and Interpol are trying to solve the murder of six persons whose dead bodies washed ashore on the Atlantic coast last week.

Police said the five men and woman appeared to have been killed at sea at least 20 days ago. Newspapers speculated about mutiny aboard one of the pirate fishing boats which enter Uruguayan waters.

Foreign Workers March in Paris

PARIS, April 25 (NYT).—Several thousand immigrant workers, including Africans, Spanish and Portuguese, marched in Paris yesterday to protest the recent expulsion of 16 workers from France.

The 16 who were expelled lived in an immigrant workers' barracks in north Paris, one of a number where rent strikes are in progress.

Police said the march was without major incidents although police intervened several times to break up some groups that marched ahead of the main group, carrying black flags. French television reported that several demonstrators were injured in the police action.

Policy on Military Equipment U.S. Goes Along on European Sales to China

By Leslie H. Gelb

WASHINGTON, April 25 (NYT).—The Ford administration, while strictly enforcing controls on U.S. sales of military equipment to China, has quietly acquiesced to some European sales to China and to negotiations on future sales.

Senior administration officials said that, to facilitate these sales, France and Britain had been allowed to bypass the allied control mechanism to review all proposed sales of strategic items to Communist countries.

The officials said this did not constitute a policy decision but rather a disposition to send a positive signal to China without provoking the Soviet Union.

The only significant case thus far has been the multimillion-dollar British sale of the powerful Rolls Royce Spey engine to China in December. Officials said that after the British had informed the Ford administration that they would not seek allied approval for the sale, Secretary of State Henry Kissinger let them know that he would not make an issue of it.

Officials familiar with the history of the allied review panel known as Cocom, short for Co-ordination Committee, said this was the first instance of a clear-cut military item being sold to a Communist nation without formal approval.

Organized in 1949, the Co-ordination Committee is a voluntary group composed of all the members of NATO except Iceland, plus Japan. It maintains lists of strategic goods that can be sold to Communist countries only by unanimous vote. For competitive business reasons, its lists and deliberations are kept secret.

Administration officials also acknowledged that Moscow tends to benefit from what they called their policy of "evenhandedness" toward Peking and Moscow on military sales and items such as computers and helicopters that

could have civilian and military uses. By selling to Peking what they are prepared to sell to Moscow, the policy tends to preserve the existing military balance that favors Moscow.

A number of administration officials denied a recent charge by former Defense Secretary James Schlesinger that the government was "prepared to provide technology or economic assistance to our reputed foe (the Soviet Union) while denying similar kinds of arrangements with a quasi ally (China)."

They acknowledged, however, that certain Western computers had been sold to Moscow and not to Peking. They explained that this was because Peking, unlike Moscow, was reluctant to

provide statements on how the computers would be used and was unwilling to allow inspection. The officials also cited the 1974 sale of Super Frelon helicopters to China by Aerospatiale of France as an instance where Cocom approval could have been sought by France, although Paris was not pressed to do so by the administration. They added, however, that the helicopters involved in this transaction were the civilian model of the Super Frelon. It was, therefore, arguable whether Cocom should have been consulted.

German officials are keeping the State Department informed about current discussions between the Messerschmitt-Bölkow-Blom Co. and China on the Bo-105 helicopter. This is an advanced model that could be used for civilian or military purposes.

Woman Testifies On Movements of Hearst-Case Man

SACRAMENTO, April 25 (AP).—A woman says that Steven Solih was with her in San Francisco, 95 miles from Sacramento, the night before and the night after the bank robbery for which he is charged. But she says she is not sure where he was the day of the robbery.

The prosecution and defense rested their cases Friday after the testimony by the woman, Emily Toback of San Francisco. In earlier testimony, Mr. Solih said he was at Miss Toback's San Francisco home when the robbery was staged by four persons in a suburb of Sacramento. A woman was killed by a shotgun blast during the \$15,247 robbery.

Miss Toback testified in U.S. District Court that the 27-year-old house painter, who says he was once Patricia Hearst's lover, was with her the night before and the night after the April 21, 1975, robbery at the Crocker National Bank.

There are also reports of a Japanese company negotiating on the sale of patrol aircraft to China.

A top administration official explained that "our overall set is to be helpful to China within limits." And China has its own limits in exposing its need for and increasing its dependence on Western technology, he added.

"When the Chinese go out to buy, they prefer to deal with our allies," the official noted. "They basically come to us for those items they can't buy elsewhere, like the most advanced computers."

The officials said that Mr. Kissinger had repeatedly told Chinese leaders that the United States had a vital concern in maintaining the Chinese-Soviet balance of power but that he had not spelled out what this meant.

"There is no question that the Soviets have expressed nervousness about direct U.S.-China military sales," an official explained. "If their worst fears are realized, it would affect their behavior toward us in a fundamental way."

Malaysian State To Close Airline

SINGAPORE, April 25 (UPI).—The new chief minister of Malaysia's Sabah State says that he intended to close Sabah Air and sell its fleet of executive jets.

Tun Fuad Stephens told the Singapore Straits Times that the Singapore-owned airline would sell two Grumman executive jets and two new Boeing 707s.

Mr. Stephens grounded Sabah Air for all except local charter flights immediately after taking office, charging that the airline was losing \$700,000 a month—a loss which he attributed to the transporting of government leaders around the region.

Gaullists Select New Party Head

PARIS, April 25 (Reuters).—The Gaullist party yesterday elected former minister Yves Guéna as its new secretary-general.

Mr. Guéna, 53, was the sole candidate in voting by the party's national council to replace André Bord.

Mr. Guéna's task will be to prepare the party for the 1978 parliamentary elections. The Gaullists have lost ground since Valéry Giscard d'Estaing of the Independent Republican party became President nearly two years ago. Mr. Guéna held five Cabinet posts, including transport, information, and commerce and industry under President Charles de Gaulle and Georges Pompidou.

KINGDOM OF MOROCCO

OFFICE FOR THE AGRICULTURAL DEVELOPMENT OF THE DOUKKALA REGION.

BUREAU DES MARCHES

EL-JADIDA

NOTICE OF INTERNATIONAL TENDERS No. 42/76

OPEN AS OF JUNE 15, 1976

The Office for the Agricultural Development of the Doukkala Region wishes to equip, in the context of the Hydro-Agricultural development project in the Doukkala lower-service area the second stage of irrigation of 20, 22 and 23 sectors of the Zemama project, representing a surface total of 11,800 ha. These Public Works projects are a result of the various international financing agreements.

The present bid offers refer to the furnishing and installation of material for filtering waters from pumping stations of 20, 22 and 23 sectors of the Zemama project for a volume of 4,320 l/s, 2,040 l/s and 1,700 l/s.

The Director of the Office for the Agricultural Development of the Doukkala Region, El-Jadida, will receive, until June 15, 1976, noon, corresponding price offers.

An advance payment, representing 15% of the total amount of the tender, is required.

Tender files may be withdrawn at the ORMVAD, El-Jadida (Bureau des Marchés) as of April 15, 1976, against payment of 200,000 DH (Two Hundred Dishams).

Offers, including all references and technical information, should reach the management's head office of the O.R.M.V.A.D., Chari El Jamia El Arabia, El-Jadida, before June 15, 1976, noon.

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SCANDINAVIAN AIRLINES

Obituaries

Mark Tobey, 85, American Abstract Artist

NEW YORK, April 25 (NYT).—Mark Tobey, 85, the American abstract painter, died yesterday in Seattle, where he had been living since 1950.

Mr. Tobey, who suffered from emphysema, had been hospitalized in Seattle since early 1975. Before moving to Seattle, he had resided for more than 20 years in New York, where he was a member of the Museum of Modern Art's board of trustees. Most of his life, Mr. Tobey was an adherent of the Bahá'í faith, a religious movement originating among Shia Muslims in Iran and emphasizing the unity of mankind. The artist's white-line paintings, which he eventually became famous for, were an attempt to transcend the perceptions of the visible world and to express the music of the universe, other-worldly intentions, he balanced nonetheless by an exceptionally sharp eye for natural phenomena of all kinds. He looked very closely at nature, even the most ethereal of abstract paintings often turned out to be secreted in the memory of a particular moment in a particular place.

Connoisseur of Places
Mr. Tobey was a connoisseur of places. Big-city life rarely pleased him. He liked towns of medium size—Seattle, for instance, and small towns in which everyone knew everyone else. He was happy in England, he was happy in Japan, until age and infirmity took their toll, he was happy in Seattle. He lived in a fortress-like mansion on a street that had been associated at one time or other with John Calvin, the Huguenot; Jacob Burckhardt, the historian of the Renaissance; and Heidegger, the philosopher. Paul Klee, the painter. His was all about him in that city, but history in itself was enough, any more than honors or fame were enough. His last years, Mr. Tobey was seduced with an idealistic sensitivity to the past, and by many Europeans he was regarded as the greatest American painter since J.M.W. Turner. But he missed the vivacity and spontaneity of American ways, and could quite make up for it in looks, in dress, in speech and bearing. Mr. Tobey was one of the last of the great 19th-century Americans. He was born in Centerville, Wis., and was brought up at Trempealeau, Wis., a little town on the banks of the Mississippi, 120 miles southeast of Minneapolis.

ord Says Japan could Enlarge Military Forces

INDIANAPOLIS, April 25 (Reuters).—President Ford has asserted that the Japanese should have a larger military force and he believed they eventually would. He expressed his opinion during a radio interview in which he was also asked whether West Germany should add four or more divisions to its army. Mr. Ford said that NATO military leaders had not recommended such an increase for West Germany and that he relied on their judgment. When asked whether Japan should have a minimum program for the present time, he said: "I do think as time passes, undoubtedly, Japan will do more, and I think they should."

Japan Sees No Change
TOKYO, April 25 (Reuters).—A senior Japanese defense official said Friday that his country would not change its basic policy of maintaining a minimum defense capability.

Florida Man Is Buried After 26-Day Snarl

AMPA, Fla., April 25 (AP).—He and all Charlie Enzweiler was a borrowed suit and a artificial flowers when he buried. That was not the he had planned it (NYT, 11-24-25). Three years ago, Mr. Enzweiler, 57, was a trust account for a meral. But when he died on 25, at the age of 65, red legal snarls and a clerical error caused his embalmed body remain on a mortuary table 26 days. He was finally buried Friday.

Indonesians Starve Boat Adrift at Sea

AIPI, April 25 (Reuters).—Ten passengers in an Indonesian ferryboat are reported to have starved to death after drifting in the Pacific for days, the local fishing association of Kaohsiung in southern Taiwan said yesterday. An association spokesman said four surviving passengers, including a Taiwanese fishing boat, were expected to arrive at Kaohsiung soon.

of the last of the great 19th-century Americans. He was born in Centerville, Wis., and was brought up at Trempealeau, Wis., a little town on the banks of the Mississippi, 120 miles southeast of Minneapolis.

Nothing in his family history predisposed him toward painting. Nature study, biology and zoology were the subjects for which he showed some natural bent; but when his father became ill in 1908 and he had to find regular work in Chicago, his thoughts kept going back to the practice of illustration, for which newspapers and magazines had at that time a great demand.

To the end of his days, he had an unlimited admiration for Charles Dana Gibson and the type of American girlhood that Gibson made famous.

Gift for a Likeness
By 1911, when he first came to New York, Mr. Tobey had taught himself to draw in a manner acceptable to editors. He had a gift for a likeness, he was quick and reliable, and his work was of a high quality. He had a show of portrait drawings at Knoedler's Gallery in New York in 1917, and by 1922 he was known as someone who could catch the quintessence of a given scene in a very few minutes.

After 1928, when he won first prize for painting at the 29th Venice Biennale, he was an international figure whose paintings were sought by museums and private collectors the world over.

—By John Russell

Colin MacInnes
LONDON, April 25 (AP).—Colin MacInnes, 61, the English novelist and essayist, died Thursday. He had undergone an operation for cancer of the throat several months ago.

He was the son of novelist Angela Thirkell and had been educated in Australia. He was one of the first English novelists to write seriously about the teenagers of the rock-and-roll era, and about black immigrants in Britain. His trilogy of London Britain, "City of Spades," "Absolute Beginners" and "Mr. Love and Justice"—appeared between 1957 and 1962.

His stylish writing also covered topics as varied as gun-running in Northern Ireland ("Out of the Garden") and the story of a boy actor in Shakespeare's England ("Three Years to Play"). He was a first cousin, twice removed, of Rudyard Kipling. He served as a sergeant in British intelligence in World War II, the topic of his first two novels.

Joe David Brown
NEW YORK, April 25 (NYT).—Joe David Brown, 60, a best-selling novelist and journalist, whose book "Addie Pray" became the basis for the hit movie "Paper Moon" and a television series, died Thursday at his home in Mayfield, Ga.

Mr. Brown, who worked for many newspapers, including the New York News and the New York Journal-American, spent 16 years off and on as a Time magazine correspondent in New York, Paris, New Delhi, London and Moscow, quitting three times to write novels.

"Stars in My Crown," published in 1947, was a vaguely autobiographical account of growing up in the Depression-era South. It became a movie, as did his "Kings Go Forth," a best-seller based on his experiences during World War II.

He was born in East Lake, Ala., a Birmingham suburb, and attended local schools and the University of Alabama, from which he dropped out during the Depression to go to work as a reporter for the Birmingham Post.

He was wounded in World War II and received the Purple Heart, along with three battle stars and the French Croix de Guerre with palm.

A. Sanchez Arango
MIAMI, April 25 (AP).—Former Cuban Foreign Minister Aureliano Sanchez Arango, 66, died Friday. He served as Cuba's education minister in 1944 and was named foreign minister in 1948. He was also a professor at Havana University.

Mr. Sanchez Arango was working with the Dade County school board at the time of his death.

Henrik Dam
COPENHAGEN, April 25 (Reuters).—Danish Nobel laureate Henrik Dam, 81, the discoverer of vitamin K, has died here, his family reported yesterday. He received the Nobel award for medicine and physiology in 1943 while engaged in research at Rochester University in the United States.

Col. Yefim Davydovich
MOSCOW, April 25 (Reuters).—Former army Col. Yefim Davydovich, 54, one of the most prominent Soviet Jews denied permission to emigrate to Israel, died Friday in Minsk, Jewish sources said.

He was pensioned out of the army in 1971 with a heart ailment. He later became a frequent protester against what he saw as the repression of Jews in the Soviet Union. In May, activist sources said, he had been officially stripped of his rank and deprived of his officer's pension.

Karl Schaefer
VIENNA, April 25 (AP).—Karl Schaefer, 68, the world's best figure skater in the 1930s, died Friday. A European champion eight times and world champion seven times, Mr. Schaefer twice won Olympic gold medals—in 1932 at Lake Placid, N.Y., and in 1936 at Garmisch-Partenkirchen, Germany.

Jean Sarguelli
PARIS, April 25 (Reuters).—Jean Sarguelli, 56, the managing director of France's Lip watch factory, died yesterday of a heart attack, 10 days after declaring the company bankrupt. He took over the firm earlier this year when it was in financial difficulties. The Lip company made French industrial history when workers took over the factory

Karl-Heinz Witzberger
BERLIN, April 25 (UPI).—Prof. Karl-Heinz Witzberger, a member of the East German Academy of Sciences and former rector of East Berlin's Humboldt University, died Friday after a long illness, the East German news agency ADN said.



Mark Tobey

and ran it for four months in 1975, rather than accept closure.

Adel Yunis

Adel Yunis
CAIRO, April 25 (Reuters).—Egyptian Justice Minister Adel Yunis died in a hospital today, the Middle East News Agency reported. It said Mr. Yunis had undergone prostate gland surgery Monday.

Overtime Cuts Preferred

European Unions Are Cool to 35-Hour Week

BRUSSELS, April 25 (Reuters).—European trade unionists, unimpressed by a call from their British brethren for shorter working time, believe that the road to full employment lies in cutting overtime rather than the working week.

That is the reaction among most trade union leaders to a recent suggestion by Britain's Jack Jones for a Europe-wide 35-hour week.

Mr. Jones, general secretary of the Transport and General Workers' Union, first launched the idea here at a meeting of European trade union executives in February.

He argued that a shorter working week would create more jobs and help soak up some of the European Economic Community's 5.3 million unemployed.

But, according to union officials, the idea has come under heavy fire, especially from the West Germans. They feel the immediate answer to unemployment is higher investment and productivity, which they say would speed economic recovery in EEC member states and create more jobs.

The issue has been getting a wider hearing this week at a meeting in London of the European Trade Union Confederation, which groups 30 unions from the nine EEC states and Sweden, Norway, Finland, Iceland, Austria, Switzerland, Malta and Spain.

The EEC Commission, the community's executive body, last month published a consultative document carrying the same message: Fuller employment would not result from shorter working hours.

"It would be a mistake to expect that a reduction in the supply of labor would make an early and substantial contribution to the solution of the unemployment problem."

"This is true in respect of any general reduction in the retirement age or raising of the school-leaving age, just as it applies in respect of a shortening of working hours," the paper concluded.

Instead, the commission suggests measures to hire more workers rather than pay overtime, keep limits on the number of migrant workers from outside the EEC and offer premiums to firms that take on extra staff.

The document will be discussed by a special conference on unemployment of EEC ministers, trade unionists and employers this summer.

Given the lack of support for Mr. Jones's initiative, EEC officials do not expect the European unions to launch a major campaign for the 35-hour week at the conference. They say that the community only recently agreed to adopt a common 40-hour working week, with four weeks of paid holiday, after strenuous opposition from Britain and West Germany.

Those two countries successfully delayed implementation of the plan by two years to the end of 1978, arguing that the community was not economically strong enough to enforce the proposal right away.

Paid holidays in the EEC currently amount to about 4 1/2 weeks annually, except in Britain where it averages 3 1/2 weeks.

The EEC agreement is a recommendation to the member states and not legally binding. France and Luxembourg are the only member states where the 40-hour week is on the statute books.

French unionists have given a favorable but noncommittal welcome to Mr. Jones's proposal, but they add that European economies are still too feeble to take on the additional cost of the shorter working week.

Some of the smaller unions in the Benelux countries are currently examining plans for a 36-hour week. But a Belgian union spokesman said that the first priority would be to limit overtime.

Banknote Curb May Spread

BERN, April 25 (AP).—Switzerland, which restricted the import of foreign banknotes last week in an effort to curb the inflow of flight capital, expects other countries to follow suit soon.

Swiss National Bank President Fritz Leutwiler told a Swiss television interviewer Friday night that members of the European Economic Community and other countries probably would take similar measures this week.

"We were the first, but we will not be the only ones" to limit banknote imports, Mr. Leutwiler said.

U.S. Backs L.A. Plan For '81 World's Fair

WASHINGTON, April 25 (AP).—A plan by the city of Los Angeles to hold a World's Fair in 1981 has received a tentative go-ahead from the U.S. government, Secretary of Commerce Elliot Richardson has announced.

Mr. Richardson said on Friday that the federal government will make a formal request later this month to the Bureau of International Expositions in Paris to fix a date for the Los Angeles fair.

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Come to Bahia
Come to Cape Town
Come to Bombay
Come to the Caribbean
Come to Acapulco
Come to the Seychelles
Come to Yokohama
Come to the Florida Everglades
Come to Singapore
Come to New York
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Anti-Gandhi Indians Abroad Plan Underground Activities

By Bernard Weinraub

LONDON, April 25 (NYT).—Indians living abroad who are opposed to Prime Minister Indira Gandhi's emergency measures announced plans yesterday for a campaign to "restore democracy" to India.

The plans, discussed at the First International Conference of Indians Overseas against the Emergency, which was imposed June 26, included support for underground activities in India and efforts to counter the Indian government's "propaganda" abroad.

"The underground in India is getting stronger and stronger and we must make this clear to the people outside," said Makarand Desai, a former minister in the western state of Gujarat, who slipped out of India recently to attend the weekend meeting here.

"There are 25 million residents of Indian origin in more than 100 countries and we must work to restore democracy and normalcy and free the detainees in prison."

"An entire nation is being sacrificed for one individual," he said, referring to Mrs. Gandhi. "What started as a maneuver to safeguard her leadership from challenge within the Congress party has been extended to safeguard from challenge a party's unilateral power. They can rule without hindrance now, but they will not destroy the country's will."

Nearly 300 Indians, mostly lawyers, teachers, businessmen and students, attended the conference at the Alexandra Palace in North London. Most of the participants were from Britain, but there were also Indians from the United States, Kenya, Venezuela and most European countries.

Several themes emerged from the conference, which included discussions on the economy, the political situation and the state of human rights in India. The first theme, advanced by several participants, was that the Indian government and its embassies abroad had effectively thwarted news of opposition activity and created the impression that the emergency had wide support. Speakers said that this was without foundation, and that Indians abroad were organizing to "redress the imbalance and propagate hard news and facts about the situation."

Another theme was that the number of political prisoners and their treatment in prison, had failed to become an international issue because of "propaganda" by Indian officials abroad and censorship in the country. Mr. Desai, Subramaniam Swamy, an opposition member of the Indian Parliament, and others said that there were more than 175,000 political detainees, many of them ill-treated.

UN Says 22,836 Died In Guatemala Quake

UNITED NATIONS, N.Y., April 25 (AP).—The February earthquake in Guatemala claimed 22,836 lives, according to a UN report.

The report said the quake injured 77,000 persons, destroyed about 250,000 houses and left "well over" a million people homeless. Monetary damage was estimated at \$748 million.

Arabs in UN Pushing Revival of Zionism-as-Racism Issue

By Paul Hofmann

UNITED NATIONS, N.Y., April 25 (AP).—Arab diplomats are pushing for a drive in the UN to revive charges of racism against Zionism.

Representatives of Iraq, Libya and, to a lesser degree, Syria are reported to have insisted at the Arab League meeting last week that after Mr. Vorster's visit to Israel, the time had come for a vigorous campaign against what they termed the "unholy alliance" between Zionism and South Africa.

Arab sources note, however, that black African countries reluctant to go along with Arab efforts are convinced that Zionism is a tool of Arab and African rulers that ended Thurgood Marshall, Senegal.

to revive the charge of racism against Israel will be at an international anti-Zionism seminar that a UN is sponsoring in Haifa next month in collaboration with the Organization of African States.

The conference is being held by the 18-nation Committee Against Apartheid, which is also putting pressure on other organs of the UN.

Behind the scenes current session of the UN General Assembly, a group of Arab and African states is reintroducing the Zionism Resolution.

Resolution Voted last year overshadowed the UN Assembly last year. In an atmosphere of bitterness, the adopted resolution declared Zionism a "form of racial discrimination."

The United States, which has 22 votes, said it would never side with "unholy alliance" decision.

to revive the issue are reports that Israel and Africa have decided to economic and scientific cooperation. Prime Minister John Vorster visited Israel earlier this year.

respect of stepped-up collaboration between the two nations being cited by hard-line diplomats as conclusive evidence that their thesis of the character of Zionism is correct.

other UN delegates have expressed similar views. At the meeting of Cuba, Raul Riquelme, for example, said the Committee on the Inalienable Rights of the Palestinian People Friday would improve relations between Israel and South Africa.

governments and the PLO Liberation Organization have expressed similar views. At the meeting of Cuba, Raul Riquelme, for example, said the Committee on the Inalienable Rights of the Palestinian People Friday would improve relations between Israel and South Africa.

some time been seen as a link between the racialist South Africa and the racist regime in Rhodesia, and South Africa is a common imperialist.

campaigns test linking Israel to apartheid.

ip Admits on Bombing

ON, April 25 (AP).—A report from a court-martial in Israel yesterday said that a group of Jewish extremists had admitted responsibility for a bombing that injured 23 people.

Thursday, police reported, the group, signed "Samuel Melchior Jackson Unit," admitted future bombings, a spokesman said.

police said they had not identified the group and did not believe the letter was authentic. A spokesman in San Francisco said two communists bearing names were received last year. Both communists admitted responsibility for the bombings.

Aide Denies Cambodians Are Starving

UNITED NATIONS, N.Y., April 25 (AP).—A Cambodian diplomat here has countered Western press reports of starvation and mass deaths in Cambodia since the Khmer Rouge came to power.

Ambassador Thiounn Prasith, chief delegate to the UN Law of the Sea Conference, said Friday that U.S. and other Western press reports of 600,000 deaths in Cambodia since the Communist victory a year ago were "propaganda."

"There's more terrorism on the streets of New York than in Cambodia," Mr. Prasith said. "No one has died of starvation since the liberation of Phnom Penh on April 17, 1975."

"There is sufficient rice for everybody's needs. The average ration is about a pound of rice per day."

Before the war, which began in 1970, Cambodian farmers had one of the lowest rice yields per acre in Asia, averaging about one ton per hectare (2.4 acres). Mr. Prasith said that through irrigation and the use of natural fertilizer, yields now are about double.

The ambassador also said: "We opened the country to visits by friendly foreigners on January 1. Journalists who are sincere and friendly will some day be invited."

The government of Cambodia, which is now called Democratic Kampuchea, espouses a foreign policy of neutrality. Asked if the United States, which has no diplomatic relations with the new regime, was considered friendly, neutral or an enemy, Mr. Prasith said: "That depends on the United States."

Mr. Prasith claimed many Cambodians were returning to Cambodia from the United States. He gave no details.

He disparaged reported resistance activities inside Cambodia, terming them "small frontier incidents. We have control of the country."

Cambodia-Burma Relations HONG KONG, April 25 (UPI).—Cambodia and Burma established diplomatic relations, the New China News Agency reported today.

The agency, quoting a communiqué broadcast by Radio Democratic Kampuchea, said the Rangoon and Phnom Penh governments agreed yesterday to set up relations at the ambassadorial level.

Spanish Arrest 54 Leftists in May Day Move

MADRID, April 25.—Authorities today announced 54 more arrests in their efforts to forestall an anticipated wave of May Day street unrest organized by outlawed leftist groups.

The provincial governor of Granada said that the 54, all alleged members of underground Marxist groups, were arrested while holding a meeting in a field near the city. He said they had posted lookouts with walkie-talkies and were discussing plans for "subversive action connected with May Day."

In other Spanish cities, the police have detained or questioned dozens of persons in connection with reported leftist plans to turn May 1 into a day of anti-government protest.

Meanwhile, old-guard Franco supporters have accused the government of King Juan Carlos of creating a political vacuum in Spain, and said they would oppose political reforms altering Francoist institutions.

Addressing a Spanish National Front congress last night, the group's president, Raimundo Fernandez Cuesta, told 800 delegates: "The result of the reforms has been to create a political vacuum that has demoralized the supporters of Franco and has not placated the opposition."

FBI Got Papers From Briefcase Of Socialist

WASHINGTON, April 25 (AP).—The FBI received papers taken from the briefcase of the Socialist Workers party's 1968 presidential candidate, an FBI memo says.

The document was part of the bureau's files turned over to the candidate, Fred Halstead, of Los Angeles, in compliance with his request under the Freedom of Information Act.

The material dealing with Mr. Halstead's missing briefcase may become an important part of the party's \$27-million damage suit against the FBI and other government agencies, for allegedly unconstitutional harassment of legal political activities.

Cathy Perkins, an official of the Political Rights Defense Fund, which is financing the suit, said the case raises questions about whether an FBI agent stole the briefcase.

The censored copy of the memo furnished to Mr. Halstead deleted the identification of the person who supplied the papers to the FBI. But the person told the FBI that in October, 1968, he found the briefcase in a men's restroom at San Francisco International Airport.

Mr. Halstead, according to Miss Perkins, said that his briefcase and coat were stolen from his car while he was meeting with a colleague at a San Francisco church on Oct. 3 or 4, 1968.

Rightist Warned By Israel Aide on West Bank Action

TEL AVIV, April 25 (UPI).—Israel's top legal official threatened yesterday to use force against "religious fanatics and extreme nationalists" pressuring the government to retain control of the occupied West Bank of Jordan.

Justice Minister Ezer Weizman told a symposium of the ruling Labor party that rightist militants such as the Gush Emunim movement "are undermining democracy and should be opposed." Gush Emunim organized a march on the West Bank last week to press for the retention of the area.

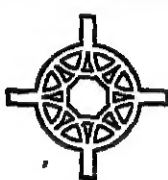
"Any attempt to establish unauthorized settlements is intended to impose a policy on the government and should be prevented by every legal means and even by force if there is no other way," Mr. Zadok said.

Meanwhile, the Israeli government tonight approved plans for a controversial economic austerity program. A communiqué said the Cabinet overwhelmingly approved plans to phase out special allowances for 20,000 civil servants during the next two years.

The 40,000 government workers without allowances began a slowdown today, demanding that the government eliminate the allowances in six months.

Soviet Envoy in Tokyo

TOKYO, April 25 (AP).—Dmitri Polyanskiy, recently ousted as the Soviet Union's agriculture minister, has arrived in Tokyo to become the new Soviet Ambassador to Japan.



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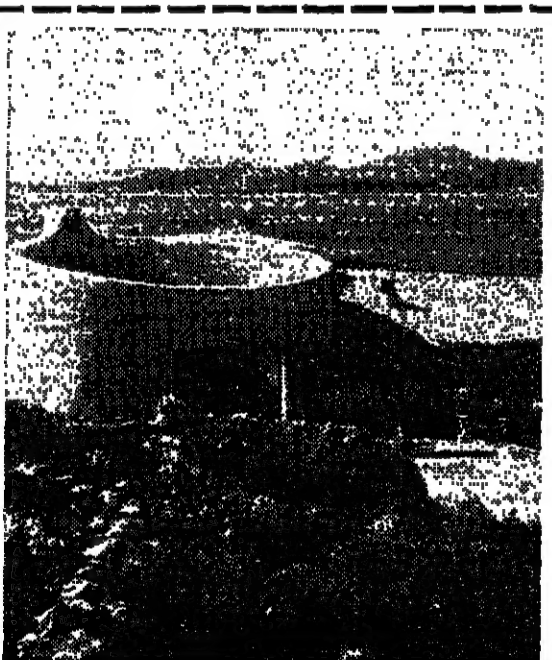
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Sen. Church Running—Mentally—Since His Youth

By George Lardner Jr.

BOISE, Idaho, (WP)—Some of his friends say Frank Church decided when he was 15 that he'd like to be chairman of the Senate Foreign Relations Committee. Others recall that he had even bigger dreams.

"We used to sit around the bed in Frank's room and talk about who was going to be in the Cabinet when he became president," says Stanley Burns. "Frank was going to be secretary of state. I clearly remember that. I don't remember what I was going to be. Some kind of lackey probably. But it's kind of an incredible set of circumstances. I'm talking about guys who were 15 years old."

The boys from Boise are all grown up now. Mr. Burns is a portrait photographer here, a gregarious, outspoken man who works out of the same chalet-like house where he was born. "Secretary of State" Burns works a few blocks farther downtown in the Bank of Idaho building, a successful Boise lawyer who is also the only campaign manager Frank Church has ever had.

At 51, Democrat Church himself is well into his 20th year in the U.S. Senate. He is, as he has said, "just awfully relaxed about what the future will bring," and he can afford to be. With the retirement of Sen. John Sparkman, D-Ala., expected in 1978, all Sen. Church needs to do is still to become chairman of Foreign Relations, like his boyhood hero, Sen. William E. Borah, the isolationist Republican who led the fight to block the Treaty of Versailles and keep the United States out of the League of Nations. Not even another Senate election stands in the way.

Happy Longshot

Meanwhile, after frustrating his backers with more than a year of official indecision, he has given in to those innermost boyhood dreams and is making a bid for the Democratic presidential nomination. Sen. Church and his aides know it's a

longshot, especially in light of his late entry into the race and former Georgia Gov. Jimmy Carter's early successes. Sen. Church's press secretary, Bill Hall, cheerfully puts the odds at 15 to 1.

"This is a happy campaign," Mr. Hall declares. "We're nothing to lose."

Anticipating a brokered convention, the Idaho senator's campaign strategists insist at the same time that they've got an exciting candidate to sell. But they agree they have got to start winning and winning quickly if they are to command much nationwide attention. Sen. Church plans to make his first full-fledged effort in the May 11 Nebraska primary.

Steady, persistent, an expert on foreign policy with a computer-like mind, Sen. Church has left his mark on legislation running from wild rivers to cost-of-living payments for the elderly to unprecedented restrictions on the warming powers long claimed by the executive branch. His colleagues, boosters and critics alike, credit him with being exceptionally intelligent and articulate.

Graying at the temples, one of the Senate's most senior members, Sen. Church is still so much the all-American boy that it almost seems a liability. Frank Church would never let anyone below the belt. But can a nice guy really make it to the White House?

'Mr. Clean'

Such questions exasperate some of his supporters. If you come across as Boy Scout and you've earned all the honor badges, what the hell's wrong with that? demands Idaho's tough-minded Democratic Gov. Cecil Andrus. "I don't understand this scene you people live in back in Washington. But there's nothing false about Frank Church. He is Mr. Clean," and I think the people are looking for that ingredient."

For the last year, the still youthful-looking Church formally put aside his presidential ambitions for the duration of the Senate investigation of the Central Intelligence Agency. In turn, Sen. Church said his com-

mittee's exposure of assassination plots and other abuses of power have commanded top media coverage.

The most difficult thing to determine about Sen. Church's career is not when he became interested in politics but whether there was ever a time when he was not.

The taste for it began at the Church family table in Boise, where his conservative Republican father, Frank F. Church sr., owned a sporting-goods store. "Dad loved to talk, and argue politics, and when he had no one else to argue with, he'd argue with me," Sen. Church says. The elder Mr. Church hated Franklin D. Roosevelt with such a vengeance that young "Frosty," as his mother still calls him, found himself frequently scooting out the back door to read up on the New Deal at the public library.

Angry Dad

"I wanted to find out what it was that got dad so angry," Sen. Church says with a grin. "I decided much to dad's consternation, that he belonged to the wrong party."

Slim and sickly after catching the croup as an infant, young Church was forever coming down with bronchitis. He learned to suffer and endure.

His fight against cancer was much more frightening. It began with a nagging backache while he was a freshman at Harvard Law School in early 1942. The star debater and his wife, Bethune, whom he had met in high school, moved in the fall to the more hospitable climate of Palo Alto, Calif., and Stanford law school. But by late February, 1942, a swelling in the left side of his groin demanded an operation.

The doctors removed a great deal of tissue—a tumor, some lymph glands, his left testicle—and then concluded they could do no more. They diagnosed the cancer as incurable and gave the patient six months to live. A pathologist, however, disagreed with the assessment, and the deep X-ray therapy he set up saved young Church's life. It also shriveled him to 90 pounds, brought on intense nausea and left him near death.

He recovered, graduating on schedule in 1946. His most recent medical report, dated last July, says there is "no evidence of any active disease" in the once-cancerous area.

Never Lost

Sen. Church has never lost an election since he first won his Senate seat in 1956 at the age of 32. Idaho's "boy wonder" had set the pattern at Boise High School, where, with the help of a few close friends, he ran for student-body president against the varsity quarterback and won, the first non-football player ever elected.

Beneath the liberal veneer that Sen. Church is usually regarded as having lies a genuine contempt for the arrogance of the Eastern establishment and many of its causes. His press secretary, Bill Hall, a veteran Idaho newsmen and editorial writer who joined Sen. Church's staff last year, puts it bluntly. "He's sick of cocktail-party, knee-jerk liberalism."

A sample that Church aides cite is his stand on abortion. Sen. Church says he thinks it "futile to try to overturn the Supreme Court's abortion decision, but he has been outraged by attempts in the courts to force Catholic hospitals to perform such operations."

"How could anyone suggest such a thing?" Sen. Church protested in a speech at Lexington, Idaho, last year. "And having done so, how could they have the audacity to lecture others on liberalism?"

In 1973, he successfully sponsored the so-called "conscience amendment" prohibiting the government from requiring Church-affiliated hospitals to perform abortions.

Even more controversial has been Sen. Church's unyielding opposition to federal gun controls, even for the sheep-handling known as "Saturday night specials." He not only tends to go along with the gun lobby's bumper sticker—"If guns are outlawed, only outlaws will have guns"—but he has also become in many ways that lobby's most eloquent spokesman.

"I think he went overboard," says one Sen-



Sen. Frank Church, the Idaho Democrat, sounding off in Washington

ate Democrat. "He almost took up the cause of the National Rifle Association. I think he betrayed a certain opportunism and weakness I found disappointing. I've waited on a couple of issues. We all do. But Frank goes much farther. He feels he has to compensate for his stand against the war by being really gung-ho against gun controls."

That, however, presumes a conscious insincerity on Sen. Church's part, a determination to overcome his true feelings about gun controls and please the folks in Idaho. Sen. Church insists he feels just as strongly as the folks do. "Idaho has a low crime rate," he said in an interview. "Yet everybody there owns guns. If the federal government attempted to interfere with this right, they'd be out in the streets in open revolt. This can best be handled and should be handled at the state and local level."

Strongest Card

As a presidential candidate, Sen. Church has his strongest card in foreign affairs. As chairman of the Senate Foreign Relations Subcommittee on Multinational Corporations, he has turned up devastating evidence of



Associated Press

Busy Abba Eban Awaits Call: 'Israel Needs You'

By Terence Smith

HERZLIYA, Israel (NYT)—The last 22 months, says Abba Eban, have been among the busiest of his busy life.

Since leaving the government in June, 1974, the man who first represented Israel in the United Nations and was its foreign minister for eight years has been writing, lecturing and traveling at a hectic pace. He makes no secret, however, that he would like to be even busier—as prime minister, for example.

"No one is asking me at the moment," he says with a smile. "But there are people who are concerned about the way the country is being run."

The focus of Mr. Eban's current activity, both political and personal, is his spacious, sunlit home in this plush resort overlooking the Mediterranean. The door in the high-ceilinged living room is a mixture of modern and traditional—Mies van der Rohe's Barcelona table and chairs flanked by English and French antiques. A huge, splashy Paul Jenkins painting dominates one wall. Across the room is a cast-iron life plaster bust of Mrs. Eban, by George Segal, the sculptor and a close friend.

The house is designed for work as well as living. It has two studies—one on the ground floor where Mr. Eban writes, a second upstairs where, on a recent afternoon, Susan Eban was finishing an article for The New Yorker magazine. Like a previous piece published a year ago, it deals with her childhood in Cairo and Is-

maïla as part of the flourishing Jewish community that lived in Egypt before 1948. Mrs. Eban was actually rewriting the article because the maid had inadvertently tossed 17 pages of her only copy of the manuscript into the trash.

In recent months the Eban house has become a gathering place for some of the dovish members of the governing Labor party who are dissatisfied, as Mr. Eban clearly is, with the government headed by Prime Minister Yitzhak Rabin. When some 30 prominent party figures gathered here recently, the meeting sent tremors through the party leadership and generated headlines in all the papers.

Mr. Eban now refers to it ruefully as his "celebrated tea party." "It wasn't a cabal against Rabin," he said, "although the newspapers choose to interpret it that way."

In Political Limbo

Politically, the 61-year-old Mr. Eban is in limbo today. Several weeks ago it looked as though Mr. Rabin might invite him to join the Cabinet, perhaps as a deputy prime minister. But Yigal Allon, who holds that position as well as being foreign minister, balked at giving up either portfolio, and it now seems unlikely that anything will come of the idea.

Mr. Eban's principal drawback today is the same that has plagued him throughout his long career: his formal manners and elegant British-accented speech

make him seem a foreigner to most Israelis. He has always been more widely praised abroad than at home, where many Israelis find it hard to follow his fluent, almost classical Hebrew. They find it symbolic, in fact, that he chooses to live here in Herzliya, a community populated largely by foreign diplomats.

He disagrees strongly with the Rabin government's diplomatic strategy, which is to buy time in the hope that Israel's bargaining position will be stronger in a few years after the Israeli economy has been strengthened, dependence on the United States lessened and the monetary power of the Arab nations reduced.

On the contrary, Mr. Eban argues, time is working against Israel. Instead of delaying, the government should seize the moment. He proposes new elections—before the next scheduled national voting in December, 1977—in a broad mandate from the Israeli public. Then, in his view, the government should announce a bold and realistic overall peace plan, enlist U.S. support for it and attempt to negotiate a constructive peace with the Arabs at Geneva or in some other international forum.

'Time Is Running Out'

"Time is of the essence, and, unfortunately, time is running out," he said. "We ought to grasp the central issues now and involve the United States in resolving them. Before the 1973 war, there were really three options: One could move forward

to peace, backward to war or mark time. Since 1973, the third option is out."

Sitting in the living room of his home, Mr. Eban outlined some of his ideas in an interview. Excerpts from the conversation follow:

Q. Mr. Rabin and his supporters argue that once Israel has survived the "seven lean years" he predicted would follow the 1973 war, it will be in a stronger position to negotiate.

A. I don't see how it will be better for us later on. Economically, I don't think we'll be less dependent on the United States. Even the most optimistic view about our economic recovery doesn't create a picture of improvement within that period. Also, the Arab monetary power is only beginning to make itself felt. The only thing that has improved since 1973 is that the oil psychosis is less acute today.

Q. Why do you think new elections are necessary?

A. The government needs a mandate from the people to be free to negotiate the best possible peace terms in all sectors, including the West Bank and in Gaza. If the public asks what kind of a deal would we make, the answer should be, we don't know. The best we can do is trust us. The Israeli government doesn't have that kind of mandate today.

Q. You speak of a need to hold a dialogue with the United States. On what issues?

A. The United States agrees with us on some very fundamental issues, such as our legitimacy,

our statehood, our security, the balance of power. But when it comes to the (occupied) territories, the United States has never endorsed Israeli positions.

Nor do we have an agreement with the United States on what is meant by the term secure and recognized boundaries—that is really the central issue—or the definition of peace. These differences have to be resolved first, before we go to the negotiating table.

Q. Do you see any realistic possibility now of resuming the step-by-step process of interim agreements?

A. No, I don't think Egypt will make a third agreement with us without letting some other Arab country have the honor, and I can't see Syria entering into an agreement irrespective of the Palestinians. Jordan now says she'll do only what the rest of the Arab world entitles her to do.

So that leaves the Geneva framework. I think we should put forward an Israeli proposal for an overall peace that would be very flexible about the return of territory but very rigorous about what we would require as part of the peace. But I don't see how it could be done.

Q. What kind of territorial concessions would you be prepared to make in such a situation?

A. I still believe that you not go back to the 1947 line as they were. But for me could make do with a few changes. They might be in quantitative terms but important in their quality, for example, a difference in being on top of the Golan Heights and down below, be very small, but it's very important. The difference is a united and divided Jew is nothing in terms of tragedy, but everything in terms of having a unified capital.

Q. The recent speech of Shimon Peres in the U.S. Council on Foreign Relations, in which he said that Israel produced a far more important view than the view of those in the U.S. who feel that time is running in our favor. Do you think American-Israeli relations are beginning to show

Egypt Finds New Heroes, Chinese, to Replace Blackballed Russians...

By Thomas W. Lippman

CAIRO (WP)—The fall of the Soviet Union from official Egyptian esteem has been completed with the elevation of a new set of heroes—the Chinese.

Cairo newspapers, which ritually follow the government line on foreign affairs, and the state-run radio and television have seized the occasion of Vice-President Hosni Mubarak's visit to China to portray the Chinese as altruistic friends of Boy Scout virtues and self-effacing modesty.

The concrete achievements of the Mubarak trip—a military protocol, among them—appear to be modest, but they are being presented here as breakthroughs that will set a pattern for Sino-Egyptian cooperation in many fields, including the military. At the same time, government officials and influential editorial writers are waging no opportunity to snipe at the Soviet Union and make unfavorable comparisons between Moscow's policies and those of Peking.

The Soviet Union remains Egypt's major trading partner and an Egyptian delegation is to visit Moscow soon to seek an increase in trade volume. Since his decision last month to abrogate Egypt's treaty of friendship with Moscow, President Anwar Sadat has expressed the hope that relations with the Soviet Union can be improved and has appointed a new ambassador to undertake that task. Nevertheless, the Egyptians appear to be doing their utmost to offend Russian sensitivities.

These headlines from one edition of Al-Ahram, Egypt's most influential newspaper, give the flavor of how Egypt's relations with the Chinese are being presented: "Mao Tse-tung to Hosni

Mubarak: China Will Support Egypt in All Fields." "Great Leader of China Says to Mubarak at 45-Minute Meeting, Sadat Is Courageous Hero and We Will Strengthen Our Relations With His Country." "We Did Not Want to Give Publicity to Our Military Aid to You. It Is Simple Gift Which Does Not Deserve All These Thanks and Gratitude."

A Gift

China's gift of 30 replacement engines for Egypt's Soviet-supplied MIG aircraft, and of spare parts for other weapons, provided

the catalyst for the current courtship between the two countries. After Mr. Sadat announced that he wanted to scrap the treaty with Moscow because the Russians had cut off the flow of spare parts and replacements, the Egyptians revealed that China had already sent the engines and parts. An additional military protocol was signed in Peking during Mr. Mubarak's visit, but its details have not been announced.

Prime of Mr. Mubarak with Mao Tse-tung, at the Great Hall of Peking University, being greeted with Chinese crowds have dominated the week's television news in Cairo, getting the kind of

treatment usually reserved for travels by Mr. Sadat himself. Newspapers have been filled with admiring commentary on China's internal development and Peking's international policies.

Al-Ahram said China has shown that it "places all its military arsenal at the disposal of just causes, including the Arab restoration of their occupied land," and noted that China has never recognized Israel. The Soviet Union was among the countries that opposed the creation of Israel when the former British mandate of Palestine was partitioned, and subsequently recognized the Jew-

ish state, though it no longer has diplomatic relations with Israel.

The mass circulation Al-Ahram said in an editorial that "China is undoubtedly closer to us than Moscow. Sino-Egyptian cooperation has nothing to do with means of exploitation and containment."

The news that China would admit Egyptian tourists without entry visas was accompanied by a report that Moscow had denied visas to Egyptian journalists who wanted to accompany the trade delegation.

China reportedly agreed to supply Egypt with four pharmaceu-

tical plants and with factories for blankets and knitwear. Egypt is to import tobacco and chemical products from China, and the total volume of trade between the two countries is to increase to about \$83 million a year.

These deals will hardly make a dent in Egypt's crushing economic problems, and it is to Western Europe and the United States that Mr. Sadat is principally looking for the kind of help he needs.

At the time of the abrogation of the treaty with Moscow, some analysts said Mr. Sadat acted to court favor with the United States and with the conservative Arab oil states who contribute heavily to the support of the Egyptian economy. That view seems difficult to reconcile with the glowing tributes to China that the Egyptians are currently publishing.

Moussa Sabry, recently promoted by Mr. Sadat to be chairman and chief editor of Al-Ahram, a journalist who has a reputation for knowing which way the wind is blowing, said in his front-page column Friday that Chinese society "is known for its purity with social relations between citizens based on ethical principles that nurture the principles of honor and chastity. It is this moral originality that cements China's relationship with the outside world. Peking, without being described as the Islamic aid to the Sudan, he observed that "we have never heard that China interfered militarily to impose a rule or a ruler. Nor have we ever heard that China has bargained over the aid it extends to other countries to distract its forces or to exhaust the resources of a friendly state."

Those are precisely the virtues of which Mr. Sadat accused Moscow when he abrogated the treaty.

...As Peking Moves Against Moscow on Several Fronts

By Fox Butterfield

HONG KONG (NYT)—The signing of a military protocol last week between China and Egypt caps an unusual series of recent successes for Peking in its diplomatic rivalry with the Soviet Union.

In addition to the accord with Egypt, which only last month broke off its friendship treaty with Russia, it was announced recently that China and India were resuming full diplomatic relations and that Singapore's Prime Minister, Lee Kuan Yew, would make his first visit to Peking.

Both actions represent important diplomatic breakthroughs for Peking. Relations with India had been frozen since the China-India border war in 1962 and Mr. Lee had repeatedly said that Singapore would be the last nation in Southeast Asia to establish ties with China.

Moreover, the newly elected

Prime Ministers of New Zealand and Australia, Robert Muldoon and Malcolm Fraser, both avowed conservatives, are scheduled to visit China shortly. Both men have been highly critical of Soviet naval expansion in the Indian Ocean.

Diplomats here have been impressed that these moves seem to indicate that China's outward-looking foreign policy of recent years is not at issue in the current divisive political campaign sweeping the country.

Outside Initiatives

But while these actions constitute triumphs for Peking, the diplomats have also noted that in each case the initiative for them seems to have come from outside China.

In some ways, this is in keeping with the traditional Chinese view that foreign "barbarians" should come to their "Middle Kingdom" to honor the emperor

and offer tribute, rather than vice versa.

But the recent series of successes has also involved some luck.

"Peking just picked up the nickels," a Western diplomat here remarked. "An awful lot is dropping in their laps, some of it thanks to the Russians, who are their own worst enemies."

In the case of the Egyptians, for example, the Chinese are thought to have stepped in only after President Anwar Sadat had already decided to break with the Russians because of Soviet failure to deliver promised military supplies and political pressure on him from Moscow.

Following Cairo's abrogation of the friendship treaty last month, China immediately supplied Egypt with 30 spare jet engines for the Soviet-built MiG-17 jet fighters and some spare parts. China then also extended an invitation to Egypt's Vice-President, Husni Mubarak, who sign-

ed the aid agreement in Peking Wednesday.

Similarly, diplomats report that Indira Gandhi, for reasons of her own, has taken the initiative in approaching Peking about sending China after an absence of 15 years. The Chinese have long demanded that India take the first step, since New Delhi had been first to recall its ambassador just before the brief border war.

According to diplomatic sources, the visit to China by Mr. Lee will only be for "goodwill" and will not lead to immediate diplomatic ties.

But his journey marks a major turnaround by the Singapore leader, who has long tightly controlled leftist activity and worried about Peking's influence in his predominantly Chinese island state. Mr. Lee's trip also appears to reflect a growing concern with Soviet expansion in the Indian Ocean and fear about Vietnam's intentions in Southeast Asia.

Planning Now Called Crucial

WASHINGTON (NYT)—The world is entering an era in which most important raw materials are likely to be more expensive and harder to obtain, contributors to one of the most widely read U.S. scientific journals said in a special issue devoted to this problem.

While the 23 reports in Science do not forecast catastrophe, they do suggest the need for intelligent foresight and planning to cope with the world's expanding needs in the face of shrinkage of easily accessible supplies.

The raw materials report was one of a series of single-topic issues, the first two of which were devoted to energy and world food problems.

Only rarely does the journal devote an entire issue to a single topic. Such issues are reserved for subjects the editors believe to be of profound importance.

At a news conference, Philip H. Abelson, editor of Science, said today represents a crucial moment in the long history of mankind's use of raw materials to build civilization.

He and other speakers noted that energy and materials are inextricably linked, because it takes energy to convert raw materials into useful substances and products. In recent years, they noted, the price of energy has been going up; the fundamental energy cost of processing raw materials has also been rising because the richest and most easily available ore areas are being exhausted.

At the same time, the scientists said, there is a strong trend among nations to nationalize foreign-owned mining properties. Furthermore, in many countries, including the United States, there is increased concern over damage to the environment.

"Taken together with financial markets that make raising capital difficult, these developments have created conditions dramatically different from those of a

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INTERNATIONAL
Herald Tribune

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FOCUS ON THE NETHERLANDS—1976

Government Is Devising a Program for National Growth

Premier den Uyl Discusses Some Pressing Problems

By David Haworth

THE HAGUE (IHT).

THE PROGRESSIVE Cabinet of Joop den Uyl has completed three-quarters of its legislative term, and the next few months promise to be the most lively of its time in office. It is a critical period for the economy, with record unemployment figures, low investment and aggressive trade unions, which are preparing to drive a hard bargain with the government over the next round of centralized wage negotiations.

The disturbing economic situation makes it essential, however, for the coalition parties (three

leftist and two Christian parties) to continue working together in the country's interest. But it means that stopgap solutions to major problems have to be found in all areas of policy making. Nonetheless, the government is determined to embark on an ambitious program for worker participation in industrial management and in profit-sharing schemes. The government is also determined to press ahead with even higher levels of taxation for the upper income groups.

In the present difficult circumstances it seems inevitable that some of the social and political reforms promised by the government when it came to power will have to be postponed. But Mr. den

Uyl's coalition is more secure than a description of it might suggest. The opposition is for the moment weak and has no stomach for forcing an early general election.

Nevertheless, there is a distinct prospect that there will be a constitutional crisis later this year. It is generally accepted that Queen Juliana will almost certainly abdicate in favor of Princess Beatrix in the next few months—whatever the outcome of the Bernhard inquiries.

In this interview the Dutch Premier discusses some of the problems and ambitions of his government and outlines some of the policies he hopes to achieve before the next scheduled general election in May, 1977.

Haworth: The Organization for Economic Cooperation and Development has just predicted continued high and even increased unemployment and says that the medium-term prospects for the Netherlands economy are "unsatisfactory." What are the political implications of this diagnosis for the coalition?

Den Uyl: I don't think there are any political implications for the coalition as such. The fact is that in 1974, when the world economy went into the deepest recession since the war, we already had a comparatively high level of unemployment which had started under the former government. While that was to a certain extent due to the fact that already in the early seventies it was... government policy to reduce somewhat the rate of growth and to dampen inflation, there was already a level of unemployment of about 2 to 2 1/2 per cent of the working population when this Cabinet came to power. The coalition... decided on a policy of more economic growth and at the moment we are working out this program in detail. I would also say the prospects for the Netherlands' economy are not unsatisfactory in the sense that we have a very strong external position and we have a high surplus balance of payments, so we have the means to stimulate investment.

Question: The country is facing an austerity program. How do you reconcile the expected reduction in private consumption with the promises your government made when it came to power?

Answer: The fact is we did not promise a high rate of private consumption. On the contrary, I would say that this Cabinet started with the prospect of a reduction in the average growth rate of private consumption and an expansion of social security programs—particularly on behalf of low-income groups. So, though we are facing a smaller growth in consumption, I don't think that that is really worrying people. They knew it would happen, and I don't believe there will be a strong reaction.

Q: What measures does your government intend to take to stimulate industrial investment?

A: Well, I would say there are three measures. First, we are trying to lower the tax burden for private enterprise and social security costs. Second, we are working out a detailed program of investment stimulation. And third, we try to subsidize some wage costs and costs of creating new jobs. We have a separate policy for that.

Q: How do you respond to the "open letter" your government received recently from some of the country's leading employers?

A: There were many sentiments in that letter on which the government and business are united and agree. But there was one major difference: The Cabinet favors more workers' democracy, sharing of the growth of wealth within companies, and wants more control of investment that

will make sure more profits lead to more investment and more jobs. And the writers of the open letter took the position that for a while exclusive concentration should be given to industrial recovery. My answer is that, to be effective one way, we also have to be effective in the other way. Both policies are complementary. To have more industrial democracy... [means] that there is more worker cooperation in striving for industrial recovery.

Q: The Netherlands has an enviable reputation for ordered industrial relations, but there are signs that the previous and on the whole happy relationship among companies, government and unions is breaking down—possibly for good. How does your government intend to respond to this situation?

A: First of all I want to say that during the three years of my government we haven't had any major strike at all. The Netherlands is in the position of having the least number of lost working days of all the industrial countries of the West. So I don't think there is such escalation of controversy. But it is true, however, that trade unions are becoming more effective and perhaps some are more radical than they were in the past. At the same time the employers have organized themselves much better than a couple of years ago. You might say both parties have strengthened their positions. Just because they both strengthen their positions need not mean that they cannot negotiate to reach agreements. My government tries to promote further agreements between employers, trade unions and the government itself.

Q: Generous social-welfare payments and the leveling-down of wages have been a hallmark of your administration. How much further can either of these trends continue?

A: The question can't be answered definitely. That is impossible. But I would say it is still desirable and possible to level down some of the very high incomes. I don't think we need so much more leveling down of wages between the minimum and the average, but there are still very high incomes which are unjustified and we shall continue to level them down.

Q: Is there any possibility of the Netherlands becoming a republic in the foreseeable future?

A: It is possible that the Netherlands could be faced with a constitutional crisis involving the royal family later this year. A: Well, I would say there is no real possibility of that.

Q: You will play host to the EEC summit meeting next November, with the prospect of the community being enlarged to include two and possibly three more members during the next few years. Do you think there is a danger of the community's original concept being lost and of the EEC becoming little more than a free-trade area?

A: I don't think so. It is true that the enlargement of the community is problematic and will put more stress on the EEC's internal organization. But, accepting enlargement, it is a question of solidarity with lesser developed European nations and I think it is possible after some time to overcome these difficulties and concentrate again on the original concept of the community.

Q: The politics of environment become increasingly important and you govern one of the most densely populated nations in the world. How will the Netherlands escape—at all—from the dilemma which faces all industrialized countries and which was described by the Club of Rome?

A: My government has taken quite a few measures to meet pollution problems in this very densely populated country. We have new legislation for limiting the effects of noise and dust and the emission of dangerous substances in the air. Although we have not finished the job, I think we made a successful start on an adequate environment policy here.

Q: How—and when—will the Netherlands begin to switch into nuclear power?

A: As you know, we have two nuclear plants in this country. The government is planning to have three more, but we thought that the decision should be taken by the Cabinet after the elections (Continued on Page 18, Col. 4)

Premier Joop den Uyl

Optimism and Pessimism

ation's Economic Outlooks Vary For the Short and Long Terms

AMSTERDAM (IHT).—On the face of it the Dutch economy is poised to make a substantial improvement this year. In the short term, some of the symptoms which have bedeviled the Netherlands during the last two years are being met. The country's economy began to recover in the final quarter of 1975 in line with most other industrialized countries, with the main reason for the upturn being a 12 per cent rise in exports, excluding gas and oil, to reach the high level of the first half of 1974—according to the Netherlands Bank in its quarterly report.

Exports also rose sharply, rising 15 per cent by volume, and 10 per cent by value. The terms of trade improved for non-oil products by 1 per cent as import prices fell. This was made up for by a 1 per cent rise in the price of gas exports. Domestic demand rose more slowly. Provisional figures showed that private spending was down in the third quarter, though fixed-asset spending appeared to rise, the bank said. Surveys of industry opinion showed optimism about orders, though orders in hand in terms of months of work secured were mixed.

Moreover, the Netherlands had a trade surplus of 858 million guilders in January, compared with a deficit of 255 million in December, and a surplus of 177 million guilders in January, 1974, according to provisional figures of the Central Statistical Office. January imports were 6,634 million guilders against 6,701 million in December, and exports amounted to 6,982 million in January, 1974, against 6,701 million in December, respectively.

Long-Term Malaise

In the longer term the prospects are not so rosy, according to the Organization for Economic Cooperation and Development, which cited a malaise in the structure of the Dutch economy that is not concealed by some of the more optimistic figures which define the immediate position. The OECD said, "growth of real output up to 1975 will be considerably below longer-term average, while employment at the end of the period will be at much the same level, or considerably above it in 1975." It adds that business investment will continue to be "relatively small," and says that though price rises may

moderate somewhat they will still be "relatively high" by 1980. The OECD report suggested that investment has been cut back in recent years because of rapidly rising labor costs "largely attributable to increases in social-security contributions" by private industry. "A reduction in these would not only provide a much required recovery of profits, thus helping to hasten the pickup in business fixed investments, but would also go to the source of the problem by reducing the pressure on labor costs and prices," the report said.

The Dutch government agrees with the general tenor of the report's conclusions, but the Economics Ministry thinks the OECD is perhaps too optimistic in suggesting that an expansion policy during the next few years will make a big difference to the present 5-per-cent unemployment rate. The political implications for the economy and its prospects are considerable. During the 1960s the Dutch enjoyed an average annual growth rate between 4 and 5 per cent, but it is now clear to government economic experts that up to 1980 there is no realistic possibility of a growth rate in excess of 3 1/2 per cent. The government's efforts to reconcile the country to this decline have yet to succeed. This spring ministers will confront the trade unions—and also the employers—for a round of negotiations which promise to be the toughest in the country's postwar history.

Political Acceptance

"Our anxiety is that a politically acceptable solution to the wage negotiations may be economically damaging," an Economics Ministry official said. This is not, of course, a uniquely Dutch problem, but it can be defined more clearly in the Netherlands case than in that of some other European Economic Community countries, because of the ordered structure of industrial relations here and the general acceptance by both sides of industry forecasts made by the Central Planning Bureau.

There are a few political straws in the wind, however, which indicate the government might persuade people to accept a slower growth rate in government spending and expenditure on social security than was envisaged in "Turning Point '72," the joint program of the three progressive government parties for the present four-year Cabinet term.

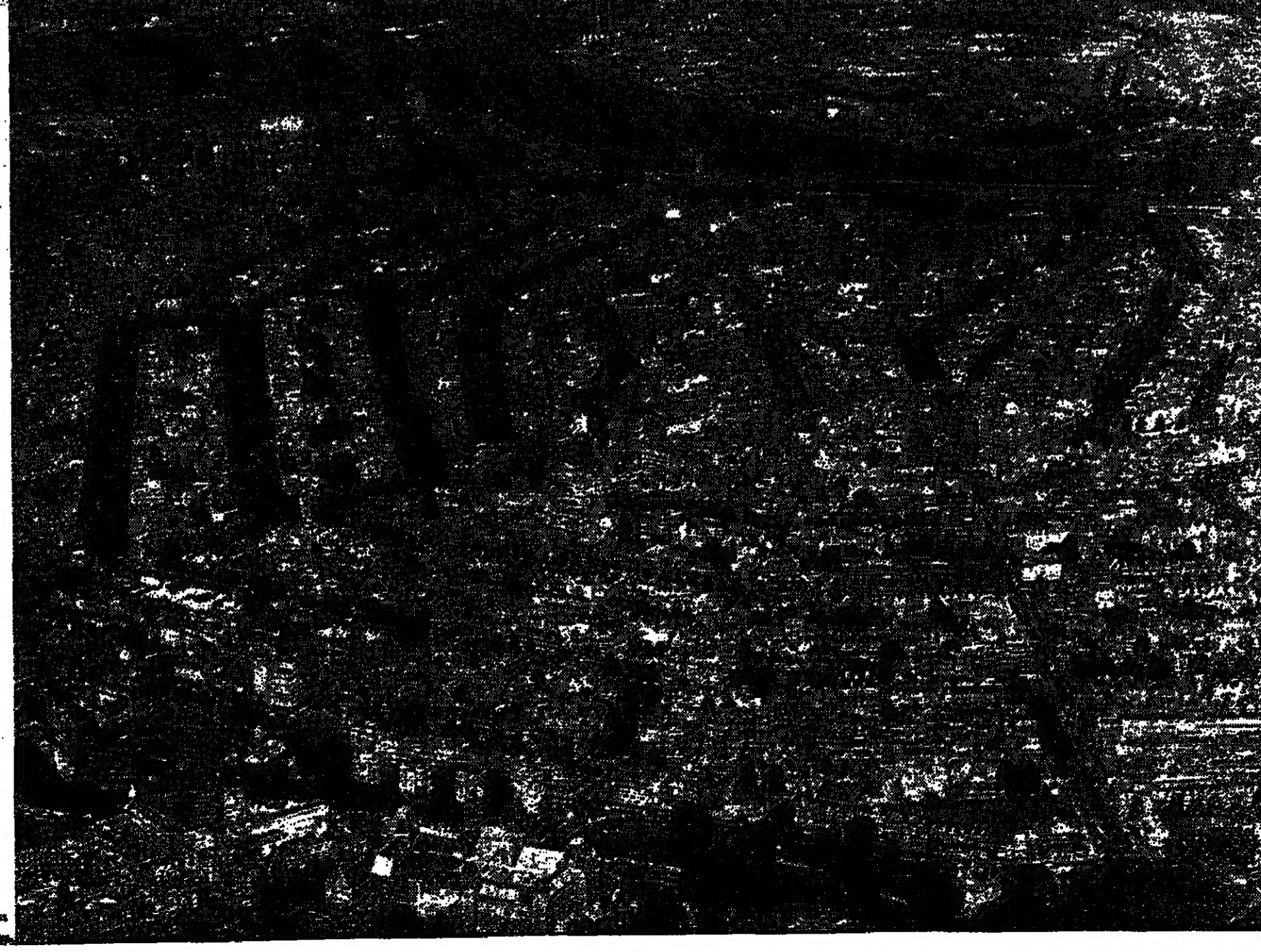
The Dutch Labor party executive said last month that, while it accepts a slower growth rate in the public sector, the growth that is left should be used solely for the benefit of the lowest income brackets. It describes as "unacceptable" any moves to uncouple the minimum wage, arguing that in the interest of the lowest income group the relationship between the two should remain pegged. The executive says (Continued on Page 18, Col. 2)

This Section

This supplement was prepared by David Haworth, of the International Tribune, and Alan Tillier, Paul Olbe, Joan Dupont and Len Koerk, freelance journalists.

The guilder had a value of 2.64 to the dollar as of Friday.

A view of Amsterdam, showing some of the city's canals.





Dutch Banking Houses Prosper on Long-Established World Contact

By Paul Olbe

AMSTERDAM (IHT).—Surprisingly, a banker was among nine prominent company chairmen who wrote an open letter to the Dutch government about the depths to which corporate profits have sunk.

It was a surprise because banking is one of the few sectors of the Dutch economy which have had increases in profits. In some cases, bank profits have risen considerably. The increases reflect both the healthy margin rate for bankers and the considerable overseas activity of one of the Big Three of Dutch banking.

Centrale Rabobank of Utrecht, a cooperative grouping 1,100 member institutions, had post-tax profits last year of 165 million guilders. Profits of Algemene Bank Nederland (ABN) with its international network in 38 countries, particularly in the Middle East and Far East, jumped 54.9 to reach 186.5 million guilders. The 18-per-cent jump in the balance sheet total to 47.9 million guilders makes ABN Holland's largest bank, according to the bank's officers. "It was a record year for us," said executive chairman André Batenburg. The Amsterdam-Rotterdam Bank (Amro), announced net profits for last year of 161 million guilders, up from 119 million.

Yet another bank, Nederlandse Creditbank (NCB), which also has a great deal of foreign business, had a gross profit of 31.4 million guilders, up from 24.6 million.

Moral Support

So the Amro bank's chairman, J. R. M. van den Brink, was no doubt giving moral support to other firms' leaders in the recent protesting letter.

This year looks good at least to J. A. H. Delsing, chairman of NCB, who said that business so far in 1976 has been "a bit better."

Mr. Batenburg of ABN thinks that a drop in the average interest margin will probably be compensated for this year by a significant increase in turnover as a result of the upturn in the Dutch economy and by a smaller increase in costs.

Profits last year were helped

by mergers. One involved ABN and Mees & Hope, which is strong in financing raw materials and commodities in Rotterdam and which also has a highly specialized insurance brokerage business (ABN will, however, sell off Mees & Hope's industrial holdings). Amro merged with Pierson Holding Pierson, thus bringing together the Netherlands' biggest domestic commercial bank and one of its leading private merchant and investment banks.

Amro's profit spurt came in the second half of last year, with slightly better margins and the new-issue business in the European capital markets. "We are usually in 7th to 10th position in the Eurodollar bond business and we place more emphasis on it than ABN," an Amro director said.

Business outside the Netherlands contributed 36.4 per cent of the profits of ABN, whose extensive experience abroad helps its

foreign dealings on behalf of major Dutch firms and West German companies that seek its aid because their own nation's banks lack representation in some parts of the world. ABN has had branches in Jakarta since 1925. "Today I still talk to Indonesian bankers in Dutch," said chairman Batenburg—in Singapore since 1958 and in Jiddah, Saudi Arabia, since 1924. (The bank opened a branch there at the request of the Saudi royal family, which

wanted competition for money brokers fleeing pilgrims. The relationship has endured to this day.)

Local Control

In compliance with the wishes of Saudi authorities, the bank has prepared a plan which would turn its three Saudi branches into a single corporation with majority Saudi shareholding.

In exchange for loss of its autonomy, the "Saudi-ized" ABN outlet will be able to open branches all over the country, a goal of ABN in Iran and elsewhere in the world.

ABN set up a joint venture in Iran 15 years ago when no one was much interested in the country. The Mercantile Bank of Iran and Holland now has branches throughout that country and handles a lot of West German as well as Dutch business. There is no West German

bank in Tehran and no new licenses are being issued there for foreign banks.

Mr. Batenburg looked off the reasons for higher profits—an important increase in our net interest margin. Three per cent is an extremely high margin for the Netherlands. Then we realized much earlier than others that we had to comply with a decrease of interest in the money market. There was a very promising climate on the stock market

and high activity on the market. And we were heavily involved in financial deals, major industrial companies, side the Netherlands.

Obviously it helps being the first foreign bank to have a stake in the French bank of Paris. It is a very close relationship, said the bank chairman.

Other Areas

The bank has also profited from the strong flow of contracts by Dutch firms, particularly housing and port contracts. The Arab companies extend to Dubai, Abu Dhabi, and Bahrain (where ABN has an important arbitrage business) Beirut.

ABN owns almost 100 per cent of Banque Jordan in Beirut, an institution that also is an arbitrage. And it is likely to increase Mees & Hope's stake in the French bank of Schlumberger.

The branch in New York, Walden-Astoria Bank, one of three in the United States, Chicago and Los Angeles, have just opened.

In their overseas work, ABN and Amro have different paths. Amro, EBIC group, which links the Midland and other major European banks, ABN has with Dresdner, Barings, and others.

The Dutch are happy working with the British, let us into their areas in days. The French never Dutch banker noted.

Another stated, "I think we Dutch bankers together. In fact there is competition."

Rabomerica, a joint venture of Rabobank of Utrecht and Bank of America, is doing the private placements and thinks some people are from the two big firms. Among its placements was 125 million guilders for Hydro.

Rabomerica handles business outside the United States and like everyone else is for joint ventures overseas. The first will be a milk plant in Iran.

Economy's Short-Term Prospectus Good, Long View Is Less Rosy

(Continued from Page 9)

that one of its conditions for giving the green light to proposals to reorientate government spending was a fairer income policy. It pleads for conversion of the family-allowance plan and tax facilities for families with children into a system of "household subsidies" under which the lower income brackets would get more than people in the higher income brackets.

The 1% Operation

As a guideline for the restraint which the government feels is essential between now and 1980, there is a plan to limit the increase in government income as a proportion of national income to 1 per cent a year. The Central Planning Bureau has published projections which show that, even if such a substantial reduction in the growth of public spending is possible, it will mean that almost all the extra national income from the expected growth of the gross national product will go to the "collective" sector. Only a fraction of 1 per cent will remain for investment—and nothing for private consumption. This is the so-called "1-per-cent operation," and it dominates all discussions about the economy's future.

The Planning Bureau sets out the alternatives as follows. First, if the increase in government spending and social charges continues as in the past, the average increase of taxes and those charges will rise by 1 1/2 per cent a year. This means that by 1980 some 62 per cent of the national income will be derived in this

way—compared with 55 per cent at present.

To say the least, this rise would have an unfavorable effect on the economy and the competitive position of Dutch exports. It would also mean a large increase in wage costs—with consequences for unemployment levels. This has been ruled out by the administration of Premier Joop den Uyl. The second alternative is a strict adherence to the 1-per-cent operation, the difference between 1 per cent and 1 1/2 per cent being estimated at 10 billion guilders.

Not surprisingly, the Dutch employers say that 1 per cent is not enough, and the Liberal party, the main opposition party, says it would prefer zero growth to the 1-per-cent operation. The government, for its part, dismisses both these views as unrealistic. There is no unanimity of view among the country's trade unions. The moderates (Christian unions) tend to agree with the Planning Bureau's analysis. But the larger grouping of Socialist trade unions is critical of the government and has even expressed the view that, as far as they are concerned, the coalition government is not working and has failed to deliver the promises it made to the unions when it came to power.

Economic policy-making, therefore, faces an extremely testing period. If the 1-per-cent operation is to work at all—and the debate on this will continue well into the summer—it must rest on the assumption that there will be an increase over the next few years in the country's economic activity. As the OECD report makes clear, it is not an assumption which is altogether safe. The Den Uyl economic policy has not made much headway in relation to the nation's main problems. The spread of unemployment to more than 230,000 people (a further increase to 300,000 is expected), an increasing number of closures of firms in all branches of the economy and the swift deterioration of the international competitive position have at last,

and probably rather late, led to adjustment measures being adopted. Precisely that area which is so important for the Dutch economy, the investment climate, has been impaired by increased burdens and the plan to introduce a 10-per-cent tax on company wealth increases.

The government has taken a series of measures which have three basic objectives. Pay rises

are to be confined in the coming years to cost-of-living adjustments and are to be limited to 8.5 to 9 per cent, as compared with almost 14 per cent in 1975. The average income should remain roughly 20,000 guilders. Lower incomes should increase, and higher salaries are to be cut-off far as purchasing power is concerned. Lastly, the increased profits made possible by pay limits are to be used by firms to meet demands for the creation of new jobs.

In an opinion on the economic outlook, the government forecasts a deterioration of the situation. Both inflation and the employment situation are said to have developed in a more worrying way than expected. Only by bringing the development of costs under control, can the Dutch economy hope to profit from the expected international economic upturn.

Although the pay freeze contributes to curbing wage costs, what is missing from the government program is a contribution to the promotion of economic activity. There is no mention of the improvement required in the profitability of the economy and restoration of confidence among industrialists.

Employers' View

Economics Minister Ruud Lubbers this year received an open letter from the Dutch employers, who said that the government's economic policy was reducing the profitability of Dutch goods on the export market. They pleaded for tax relief which would allow them to increase investment. Mr. Lubbers is a former member of the Christian Employers' Organization, so it can be assumed that he will take their views into account.

Premier den Uyl's Outlook

(Continued from Page 9)

In May next year. You may observe that in many Dutch circles—among Socialists and among Christian Democrats—there is a lot of doubt about whether it is really necessary for the Netherlands to have these three new nuclear plants. This decision will not be taken until next year.

Q: Whatever the outcome of the next elections, which achievements of this administration would you like to be remembered for most?

A: First, the leveling-down of income differences and a general improvement for low-income groups. Second, an extension of participation of citizens in all decision-making processes—in local government, in industrial management, within the universities. You might say that, during these years, a great many of the aspirations of the sixties have been realized. Third, foundations are laid for a balanced growth of this very densely populated country. We have realized many objectives in the planning and the restoration of the old quarters of cities and a better balance of transport in this country.

Fourth, in foreign policy—not only in the field of development aid, where we took a lead in fixing a half per cent of our national income as a contribution of the state to poor countries, but also in the defense of human rights and in promoting détente.

Q: You have actively cultivated relations with other Socialist premiers in Europe, both inside and outside the European Economic Community. Do you visualize that Socialists have a supra-national role to play in world politics over and above anything they achieve on a purely national basis?

A: Yes, I think Socialists have that role to play. Of course, we all know that Socialist parties differ in their opinions, but the fact is that in Western Europe, including Scandinavia, and in quite a few other countries, social democratic parties represent the majority of the working class. They also have a concept of a new international economic order which it is their international duty to defend jointly and through all available international organizations.

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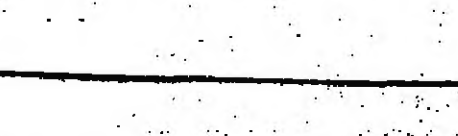
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Con Hague Prepares a Campaign for Political Integration of the EEC

id Haworth

(IHT)—The political integration in Economic Community becomes a matter of "steps" unless members take steps to give it. Laurens Brinkhorst, secretary of state for foreign affairs, who has specific for his country's as the Netherlands the EEC presidency half of this year, about the com- e Dutch assumes ice. The Hague, C summit will be has traditionally EEC-minded capi- e then appropriate will take over the aim at a moment when its fortunes ill be even lower at the moment.

st few months the tent has been pre- pack in pursuit- tion, based largely out EEC integra- earlier this year ember Leo Tindemans party has been Mr. Brinkhorst's attended by senior from every mini- propose is to align and external poli- munity policies, "mandarins" com- on the basis of Dutch will take in the year.

is by 1978

ctions to the Euro- ent, the minister- tional change, ves could be intro- is the only real- e the community to people's needs.



Max van der Stoep, Foreign Minister.

There is an urgent need to de- democratize the EEC institutions, he said, because the community in the past has always been seen as an elite organization working for the most part in the interests of other elites.

The Tindemans report has been criticized in some Dutch quarters for not being far-reach- ing enough. But it is defended by Dutch Foreign Minister Max van der Stoep, who in another interview rejected the criticism that Mr. Tindemans was "mini- malist" in his approach. "On the contrary, I think the report has brought forward ideas which are entirely realistic," said Mr. van der Stoep. He added that in his view it was urgent to improve the EEC's decision-making process, and this ambition will be one of the keynotes of his chairmanship of the EEC Foreign Ministers' Council. "We want a new and strongly political European Commission in the first place. Secondly, we must have majority voting in the Council of Ministers itself." The Dutch government certainly shares Mr. Tindemans' view that the development of the EEC's internal and external poli- cies should run in parallel.

The Dutch foreign minister pointed out that this opinion was also expressed in an advisory report published last year in the

Neither minister in the Foreign Ministry sees any lessening of Dutch

enthusiasm for the community. Rather, they point out that since enlargement

the EEC has been struggling, punch drunk, from one crisis to another. The

first was the 1973 energy crisis, in which the Arab oil producers cut

off oil supplies to the Netherlands. The supposed solidarity of EEC

countries was brutally exposed at that

time as a sham. Second, there was the 'British crisis'...

Netherlands by the so-called Spierenburg Committee—a group of Dutch politicians and econo- mists which submitted evidence to Mr. Tindemans. Mr. van der Stoep characterized the Tinde- mans report as a "bottleneck report"—that is, its intention is to point out political and economic obstacles which cur- rently block European integra- tion. As such, it was a good deal less idealistic than the Spierenburg conclusions, which were so far-reaching as to sug- gest that there should be a common defense policy throughout the European Community and that the member countries' economies should converge to such an extent that before the end of the century a common European currency could be in- troduced.

According to the minister, the Spierenburg document "is a good report, which will continue to play a big role for a long time in determining the position of the Netherlands government in respect of European union." He feels that the two reports should be regarded as "complementary."

The Spierenburg report presents a clearly defined plan—introduc- tion of full monetary union after a 10-year transition period, with fixed limitables, whereas the Tindemans report contains sug- gestions for "creating conditions

for undertaking compulsory obli- gations in this respect. The Dutch government, while under- standing the fact that Premier Tindemans "has little possibility at present" for the early devel- opment of this union, feels (as is also stated in the Spierenburg report) that the prospective union "must clearly be the determining factor for our action in the present situation."

Economic Ties

For his part, Mr. Brinkhorst is convinced that "despite all the problems which exist in the community, or you can perhaps say thanks to all the problems that exist in the community, there is a realization that if we do not move toward economic and mon- etary cooperation, there is no hope for the community to maintain the present degree of integration that has been reach- ed in the customs union and in the agricultural policy." He added, "The more one becomes aware that the only alternative to further progress is a relapse into economic nationalism and pro- tectionism. This surely cannot be to the advantage of any of the member states. It is cer- tainly a major priority of the Dutch government to prevent this happening."

"This means there must be an internal strengthening of eco- nomic cooperation and also mon- etary cooperation—one really cannot separate these two things. Perhaps the fault of concentrat- ing too much on monetary union is that one tends to neglect the connection. If you don't have a convergence of incomes and pro- ductivity development in the community, you really cannot hope to maintain the monetary discipline which one desires, within the snake or any other kind of mechanism which can be thought of. So a convergence of economic policies is absolutely essential."

Social Fund

In other words, economic con- vergence means a transfer of re- sources from the richer countries to the poorer EEC nations through the Social Fund, for example, and the Regional Fund. In the Dutch government's opin- ion, both these funds have been established without a real policy strategy to back them up. "We must realize that to create a fund is no excuse for not having a proper policy."

But what of the Netherlands' special role in the EEC? During the last few years of the com-

munity of the six, the Nether- lands adopted the attitude of a "purist." It opposed at every turn what it saw as the obstruc- tionism of the French in general and Gen. Charles de Gaulle in particular and was a fierce advo- cate of the community's enlarge- ment. Since the six became nine, however, the Dutch position has not been so clear cut. The ques- tion is whether it will become so again during the Dutch presi- dency. Neither minister in the Foreign Ministry sees any lessening of Dutch enthusiasm for the community. Rather, they point out that since enlargement the EEC has been struggling, punch drunk, from one crisis to another. The first was the 1973 energy crisis, in which the Arab oil producers cut off oil supplies to the Netherlands. The supposed solidarity of EEC countries was brutally exposed at that time as a sham. Second, there was the "British crisis," which continued for 18 months while the incoming Labor administration "renegotiat- ed" the terms of Britain's com- munity membership.

Mr. Brinkhorst says that for these reasons, plus the more recent economic and monetary crisis, none of the member states has been able to play a well- defined role in the community. The political climate has been



Laurens Brinkhorst, Secretary of State.

more one of crisis management than policy development. In these circumstances the Dutch did not feel it was very realistic to put forward ambitious new schemes outlining ways in which the EEC should develop. But by the end of the year the further enlarge- ment of the union will be a major preoccupation. In the fall negotiations between the EEC and Greece are scheduled. Though these will take several years to complete, each member nation will have to define its attitude towards Greek membership be- fore the negotiations start. There is a danger that the present political stagnation in the com- munity could be made worse by enlargement, particularly by wel- coming a nation which is by no means economically robust.

The Greeks will get nothing but encouragement from the Dutch—that is clear. The Nether- lands government believes it is vital that all European nations which hold the right democratic credentials for EEC membership should be taken into the fold. "We believe it is wrong for the existing community members to ask for EEC entrance fees in the sense that if a country is rich enough and brings enough capital with it into the community, it is entitled to join only on that basis," Mr. Brinkhorst said. "After

all, the community is about soli- darity. Even though it is not al- ways shown in all quarters by everybody, we cannot slam the door in the face of other demo- cratic countries who want to join simply because they don't seem to have enough money in their pockets. I find it somewhat hypocritical for people to suggest that Greek membership will dam- age the community's internal structure. We cannot blame a future member. If internal cohe- sion is damaged, this is a con- sequence of our own neglect or indifference during the past 10 years.

Redistributing Wealth

Just as the north-south dia- logue now going on in Paris is a means of finding ways of dis- tributing the world's wealth more equitably, the Dutch believe a very similar process has to take place within the community it- self. Mr. Brinkhorst states with some emphasis that the Dutch be- lieve "our Europe cannot be built in space." Though idealistic, the Dutch are also hardheaded and tackle problems as they arise. Impending Greek membership is seen as an issue which deserves a bold response.

On another aspect of commu- nity external policy, relations with the developing world, the Dutch also take a positive stance. The government is proud of its contribution to the recent UNCTAD meetings and the suc- cess of its efforts to achieve through the Lome convention an "openness" toward the Third World which is not just measured in terms of economic advantage to the industrialized nations.

But internally the Dutch be- lieve that making the European Community more democratic and politically responsive to the mem- ber countries' electorates must have first priority. Mr. Brink- horst says, "I think our empha- sis on this point is more pro- nounced than ever because we realize that the EEC in the 1970s cannot be merely a sort of free market area, but rather a basis on which common policies can be constructed. These cannot be drawn up by bureaucrats alone. The community has to be a truly political institution, in which political values and choices can be made. If the Dutch have a distinctive message, this is it."

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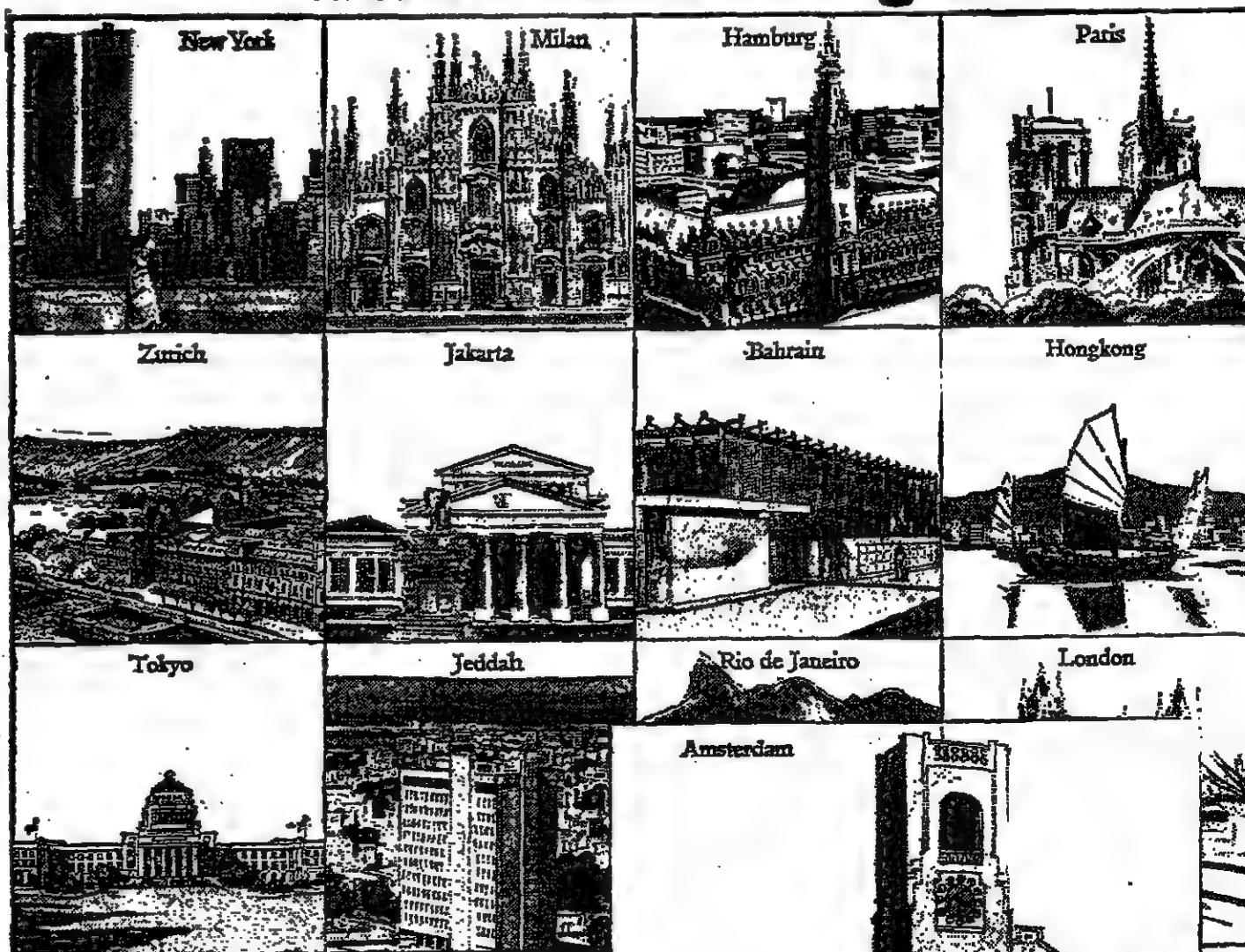
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Social Welfare Ministry Has a Unique Agency for Immigrant Affairs

THE HAGUE (IHT)—There is a joke in the Dutch Ministry of Cultural Affairs and Social Welfare, which is responsible for the country's minorities. Dutchmen say "I hate all Surinamese, except the ones I know."

Officials have no illusions about discrimination against minorities in the Netherlands, and are somewhat puzzled by the belief abroad that there is no discrimination or prejudice in the country.

This is not so, but its forms are perhaps less virulent than in other European countries. Certainly the government is trying its best with the minimum of legislation to make life easier for immigrants, and has more than trebled the ministry's budget in the past two years for dealing with their problems.

The country's population is 13,500,000 of which there are over 100,000 foreign workers from Mediterranean countries, particularly Italy and Turkey. In addition, there are some 140,000 Surinamese and Antilleans, 30,000 Ambonese, who prefer to be called South Moluccans, and approximately 20,000 itinerant or trailer dwellers.

'Positive' Bias

For all of these there is a special directorate in the ministry, established in 1968, divided into

four divisions with a specific responsibility for each migrant category. The department is unique in Western Europe, perhaps in the world, and its officials boast they represent "the best paid pressure group in the Netherlands." They are charged with the formulation of a comprehensive policy toward migrants and work closely with other ministries such as housing and education to pursue positive discrimination.

This means that specific measures are taken in education, housing, vocational guidance and training to help minorities deal with the problems of their new environment. An official in the Directorate for Cultural Minorities said: "Equal treatment is an often-heard slogan. It sounds fair enough, but it is insufficient. Newcomers are not equal. Of course they are as human beings and in human dignity, but they aren't as participants in the new society they find themselves in."

"Equal treatment is all right if those who are to be treated equally are more or less in the same starting positions. Strangers are not."

The directorate began its work by helping welfare workers who in turn were assisting newcomers. But the same official said that "we rapidly came to the conclusion that social work as

such is nonsensical if there is no justice being done. It was no use just telling people to like each other."

Housing Shortages

Because of housing shortages and an educational system which was not adapted to meet migrants' needs, two interdepartmental committees were set up. The first is to synchronize policies. The second is a central bureau to which a migrant can turn for help. The bureau's task is to advise the individual about the "optimal compromise" between job opportunity, housing, schooling, and the abilities and skills of each migrant.

Fundamental to the policy, however, is the migrants' freedom of choice about settlement and the right to retain their own identity within their own cultural background. Migrants are told: "Everyone here has the right to strive for happiness in his own chosen manner. You don't have to conform to Dutch traditions if you prefer not to." Integration is the keynote—but to enable various groups to retain their own identity.

The bulk of the migrants arriving in the Netherlands settle in the densely populated western part of the country, in The Hague, Amsterdam, Rotterdam and Utrecht. Although the Dutch

passport guarantees rights for its holder, it does not provide him with a house or a job. These are the commodities which one obtains in a "free market." Because of the housing shortage especially for cheaper accommodation and record unemployment, migrants enter with a built-in handicap.

Many of them end up in crowded rented houses with shared use of facilities, or in apartments with multiple occupancy. There is an increasing tendency to prefer white occupancy. Landlords claim a faster depreciation of their property if it is occupied by colored migrants. A lack of schooling and job training, relevant for the competition on the market, also have a discriminatory effect.

Indonesian Integration

It is perhaps necessary to compare the difference between the influx to the Netherlands of Indonesians during the fifties with the problems posed by more recent migrants, especially the arrival of large numbers of Surinamese just before the country became independent in November.

The migration of Indonesians is manifestly successful and has been enriching for both Indonesians and the Dutch. For the Dutch not the least acquisition has been gastronomic. Practically every village has an Indonesian restaurant whose cuisine contrasts pleasantly with the indigenous fare.

The first flow of Indonesians—150,000—arrived between 1950 and 1951. They were called repatriates even though the majority of them had never set foot in the Netherlands before. For the most part they were educated and had long experience in Indonesia of administration, teaching and other professions.

'Equal treatment is an often-heard slogan. It sounds fair enough, but it is insufficient. Newcomers are not equal.'

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they find themselves in...

They were in fact a middle-class elite all of whom could speak Dutch and many of whom had a Dutch spouse. Inter-marriage between Dutch and Asians was, and remains, a commonplace.

Although arrangements for their reception were somewhat ad hoc, they had the backing of the entire Dutch establishment. The churches, trade unions and political parties had much more authority then than they have now. Officially therefore, everyone was well disposed towards the new arrivals. Although there were some snide references to the "blue ones" because blue dungarees were associated with those who worked on the lower deck, there was no real hostility.

Six Weeks' Time

Another advantage the authorities enjoyed then, in contrast to the jet-age influx of the Surinamese, was that the Indonesians took six weeks' sailing time to get here. The ships had welfare workers on board who radioed ahead information about the passengers, enabling jobs and accommodation to be found for them. In most cases this work had been completed by the time the migrants set foot on Dutch soil.

The second influx—300,000—took place in 1955 and the authorities found this even easier to deal with than the first because a precedent had been set and the policy of positive discrimination was well established. By this time Indonesian civil servants were taking the burden of responsibility, having quickly found jobs in all fields of national and local administration in the Netherlands.

It is no exaggeration to say that the Indonesians saved the Dutch civil service during this period. The postwar boom was beginning and welfare policies were becoming complex and elaborate. The Dutch were in need of the ad-

ministrative talent. Not surprisingly, about 300 Indonesian civil servants found work in the Ministry of Culture itself.

Above all, there was the rule laid down by law that 5 per cent of all municipal housing should be made available to the Indonesian migrants. This ensured accommodation and an even distribution of the newcomers throughout the country.

Less Qualified

The circumstances of the arrival of the Surinamese were by no means as favorable as the Indonesians' experience, even though it was much more gradual in terms of education and social background. The Surinamese have been much less qualified to cope with the abrupt change from Latin America to Europe. Moreover, many arrived just at the time when the Netherlands was struggling with its biggest postwar recession.

Charity work by the churches and other bodies is less well organized than it was in the 1950s. On the other hand, social security provisions these days are generous by any standards and the left coalition showed itself more interested in coming to grips with the social and economic problems posed by the Surinamese arrivals than its predecessor.

The 5-per-cent rule, which had been dropped, was reintroduced and at the beginning of last year a Central Bureau for Surinamese Immigration was set up. Of the 40,000 Surinamese who are on the bureau's books, about 15,000 have had substantial help so far. By July a further 8,000 will be housed and loaned between 8,000 and 8,000 guilders for furnishings on generous terms.

People are inclined to regard the Surinamese as a homog-

neous and more or less closed group. Conversely, the Surinamese are apt to see Dutch society as monolithic, especially if they have not been here long. Both these attitudes are oversimplifications. The Surinamese are expected to conform to that part of Dutch society with which they come in contact and in which they live and work.

Norm of Conduct

A Surinamese is soon branded as maladjusted if his conduct deviates from the norm. Because they are easily recognizable the Surinamese are noticed, whereas the segment of Dutch society to which they adapt themselves in fact lies outside the vision of the person passing judgment on their conduct. Adaptation to lower status groups is not regarded as adaptation by the higher Dutch status groups.

But for the Surinamese this may in fact constitute adaptation to the Dutch way of life. The speed with which the Surinamese immigrant manages to become integrated depends on whether the mental picture he drew in Surinamese corresponds with his everyday experience.

Although the Surinamese have preferred to settle in the cities of western Netherlands, the authorities have managed on the whole to prevent the creation of ghettos. Contrary to prejudiced belief, there is a fairly even settlement within the cities.

There is, however, the new town of Blijmervier near Amsterdam where 25 per cent of the inhabitants are Surinamese who are crowded into high-rise apartments, one of which requires the full-time attention of 30 social workers. The situation is an illustration of some controversy between the Ministry of Culture and the Amsterdam authorities. A ministry official said the settlement of Surinamese in this community was a "first class failure." He was angry about it.

South Moluccans

The problem of the South Moluccans is different. It was brought into dramatic focus for the outside world last year when a train at Beilen was hijacked by a fanatic group of Moluccans who killed several hostages.

The Moluccans, cream of the Dutch army, came here to the structure of the President Sukarno be abolished.

Until 1956 they army camps and government, but gradually even were built for them, of realizing aims seemed simple.

These 30,000 are refused to be treated problem. They political discussion, erment which will repatriation.

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The Dutch minority groups greater than, realize. This tion cannot now with them in quiet way they have, past. Scarce had sources during the put the minorities considerable circumstances.

Above all, there of hypocrisy by of They acknowledge gives them a public to solve them, much more still sound. It should to others.



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Democratic Organization of the Netherlands Broadcasting Industry

Veronica... joins the seven major

broadcasting organizations of the country's

uncensored, undubbed, noncommercial

radio and TV.

The Dutch dreamed up this system after considering and rejecting the British system (one commercial and one noncommercial organization). There was never any question of adopting the sponsorship method used in the United States, and advertising is forbidden in the middle of a program.

"We have less tolerance for commercials than the Americans," claims a TV producer. "If Peter Falk's 'Columbo' were interrupted by some commercial nonsense, the Dutch would spit on it."

The Dutch sense of ridicule also applies to dubbed shows. The fact is that dubbing is too expensive a venture. Not only TV, but films in Holland are always presented in the original language.

The government exerts no censorship on radio or TV programs. All broadcasting organizations which have been allotted transmission time are free to choose their own programs, "as long as they do not threaten the security of the state, law and order or public morals."

Government supervision is retrospective. Recently, the Dutch Justice Minister dashed with journalists over the spectacular treatment of the train hijacking incident. The journalists did not appear to be cowed, however.

With this plurality of autonomous broadcasting, there is evidence that several TV programs on the same subject may coincide. To prevent this, a clearing system was introduced recently.

Each broadcasting society reports its intention of producing or purchasing a program to the NOS Clearing Bureau to avoid overlapping. Purchases of foreign programs must be done through NOS, so that foreign producers deal with one Dutch negotiating body, keeping prices down. For current affairs, no priorities can be claimed since broadcasting policy protects the rights of each organization to express individual identity.

Aside from insuring cooperation among the organizations and providing technical facilities, NOS broadcasts its own programs. It fills roughly 25 per cent of TV time and 16 per cent of radio time.

Much of this time is devoted to daily news programs, national and international events (such as the Olympic Games) and Eurovision programs (like the April Song Festival, under the auspices of the European Broadcasting Union). The numerous orchestras and choirs, available to all the broadcasting organizations, also come under the responsibility of NOS, which organizes an annual international conductors' course for young Dutch and foreign musicians. The organization's Music

Library, at the new 75-acre site still under construction on the northern edge of Hilversum, houses 200,000 scores, over a quarter of a million records and about 90,000 tapes.

Among current projects fostered by NOS, educational TV is top on the list. "It is well known that we spend much more money on education than on defense in Holland," said a NOS official. "Sesamstraat" (in coproduction with the Children's TV Workshop in New York), the Dutch language children's show, has been a hit since its first installment in January.

Though illiteracy is virtually nil in the Netherlands, mastery of the Dutch language is still a

goal for many who lack secondary schooling. The "Open School" is an experimental program that will start next year, directed at an audience of women, young adults and workers in isolated rural areas. Open School instruction will consist of group talks in villages and towns. The curriculum will be reinforced by written material, video equipment, radio and television. Educational TV has long been the concern of TELEC, the adult TV network and NOT, which produces programs for secondary schools.

The idea of a special children's news program on television is under consideration. A working committee recently issued a report suggesting that, apart from usual news items, attention should be given to social developments that are part of children's everyday life. It is hoped that the bulletin will be able to be viewed both at home and at school.

Also looking toward the future, NOS is engaged in a series of development projects ranging from cable TV to satellite transmission throughout the European Economic Community.

"We can afford to be interested in everything," says Mr. Van Beek of NOS, "because we have a truly unique system. We are not afraid of controversial subjects. It appears that people would prefer to see a documentary on drug rehabilitation than be preached to, but those who want to preach get their turn. Of course, we aim for quality and popularity does not always imply it, but Dutch TV is democratic above all."

Old Taboos Broken, Young People Accept Liberties in Sober Style

By Len Koert

AMSTERDAM (Dutch)—Ten years after the stormy period of protest, hippies, and anarchists, the pendulum is swinging to a more sober approach to life by Dutch youth.

As in most Western countries, Dutch youths are preoccupied by unemployment and limits set to university studies.

Last year, only 1,700 out of 3,000 applicants were admitted to Dutch medical faculties, only 400 to dentistry, 211 to pharmacy, and 150 to veterinary studies.

Gone are the days of the provocateurs, most of whom are settled in bourgeois style. Bernard de Vries, one of the leading rabble rousers of the 1960s, now stars in Italian films, mostly spaghetti Westerns. Bert Hughes, the former anti-smoke magician who drilled a small hole in his forehead "to give room to the mind," now is said to run a well-known clinic.

But their great merit has been to challenge time-honored traditions and to sweep aside old taboos. Dutch youth enjoys an ever greater sexual liberty and, said Dutch parents have long accepted that young students live together and share a home, well before marriage.

Parental Consent

Fifteen-year-old girls are given the pill by their mothers, who themselves could not marry before the age of 20 without parental consent. The age has been lowered to 21 and a Dutch youth can now vote, drive a car and buy on credit at 18.

Traditional religious allegiances have gone. A recent census showed that only 35 per cent of Roman Catholics go to church on weekdays compared to 64 per cent in 1974.

This same is true for Protestant churches that have started an analysis of why so few youth go to church.

Some claim that the Dutch are still a basic mixture of missionaries and merchants and lift their eyes from the marketplace to noble aims.

The environmentalists are concerned with the dry waters of the Rhine River, the muddy canals and choked traffic arteries in the cities and the problem of accommodating about 14 million persons in too little space. The Netherlands is the size of Maryland.

In rural areas, family breeders are still kept before every peasant in Dutch households. It is true, but these machines ago in a little village of 300, Nieuwkerk, in the Zeeland province islands. Mr. and Mrs. J. de Jonge, could not have their son, Leendert, baptized in a Dutch Reformed Church because they had television—"the eye of the devil"—in their home. They had to switch to another Protestant church with more tolerant elders, to get Leendert baptized.

But for a great part, religion has been substituted by concern for pollution and the underdog.

Government, the media and the articulate sections of the population hammer away at environmental pollution and at electoral politics in distant countries. They tend to lecture and to shake a "raised finger" as did their forefathers in church.

Frits Wafelbakker, in charge of the Youth Department of the National Health Office, claims it is again, "like father, like son."

"But," he adds, "taboos have been broken."

It has been the lasting merit of the 1960s to break open old taboos and not in the least, concerning sex. A survey last year showed that half of the boys between 16 and 20, and one-third of the girls of that age, find sexual intercourse without marriage totally normal, compared to 1968 when only 25 per cent of the boys and one-tenth of the girls dared to discuss sex from marriage.

Teen-agers are well informed. Dr. Wafelbakker said, "and are unafraid to talk about their sexual problems."

Director of research with the "Dutch Society for Medicine," Paul Schmeel, said that there still is a negative attitude toward contraception, among the lower classes. Last year, he said, "about

3,000 girls between 15 and 19 had abortions in Holland."

Abortion is legal in the Netherlands only when pregnancy endangers the life of the mother.

However, abortion has been easily allowed in this country for some years and abortion clinics, though technically illegal, have been operating openly and with relative impunity so far.

Moreover, legislation is being prepared to legalize abortion.

Dutch legislation on homosexuality is equally liberal. Though homosexual relations between adults and minors are illegal, homosexuals and lesbians run their own publications and have their own clubs, including libraries in the bigger cities.

Parent-child relationships have greatly changed since the 1960s. Young children are more free and parents no longer dictate but discuss," Dr. Wafelbakker said.

Sex, these days, is being treated almost as a science by the serious-minded Dutch.

As values change or have diminishing influence, the Dutch television networks abound with programs that once would have been unimaginable. During sexual performances, turned from the screen into Dutch living rooms. Abortion is shown in a country where 20 years ago the mere word was sacrilege.

The organization of Dutch homosexuals recently received Royal Assent, which is formal recognition by the state as a legalized body.

Formerly has become literature for many, but sex shops have lost most of their naughty attraction, and are considered for foreigners only.

The real worry of the young is unemployment. Concern about the future, drugs and loneliness is gripping modern Dutch youth.

"Unemployment hits the young people first and most and the situation is serious," said Gerard H.J. A. Hart, employment adviser and sociologist with the Directorate-General of the Dutch Social Affairs Ministry.

"Out of some 200,000 jobless (about 5 per cent) about 71,000 are young people under 23, which is a 62 per cent increase over 1974," he said. "Many of them are young people who just left school."

"Because of a too general education they are often less adapted to practical jobs and often they are too good for the jobs available, since half of the jobs called for unskilled labor," he said. "Many people with, for example, degrees in education or social sciences are not needed and the situation in the secretarial sector is not good either."

Drugs and Theft

Unemployment is closely connected to hard drugs. According to the Criminology Institute, about 30 per cent of unemployed youngsters use hard drugs and often commit thefts to acquire heroin.

In a situation without prospects and with little schooling, they land into indifference and take drugs. According to Dutch Justice Ministry statistics, 2,851 persons—mostly aged between 18-34—were arrested for drug offenses in 1974 and mostly in the bigger cities, notably Amsterdam.

Dr. Wafelbakker calls the use of alcohol among the young even more alarming.

"Over the last few years, the use of alcohol per capita has doubled," he says. "Statistics show that 40 per cent of young people have been drunk at times."

Youngsters have more money and are allowed to come home later than 10 years ago," he said, adding, "Society does not offer much adventure and in particular in rural areas, there is little or no amusement. So, they drink out of boredom."

"In members, the problem of alcohol is more serious than that of hard drugs. Against a few thousand taking hard drugs, there are hundreds of thousands who drink," he said.

But Peter Bemmink-hof, head of the preventive department of one of the major Dutch clinics, Wafelbakker, in Amsterdam, estimates that the number of youngsters taking hard drugs at between 8,000 and 10,000.

"Bastard is no longer an issue," he said. "We only deal with hard drugs and with alcohol cases." He confirmed that

the number of youngsters drinking is on the rise.

He said there were long waiting lists for admittance to the Dutch drug clinics. "We no longer accept foreigners, who need to make up half of our patients. Our clinics serve to reintegrate young people into society and the language is important. We used to have waves of French Americans and many other nationalities. But we stopped this because of the language barrier," he said.

Problems start at an early age. Mary van den Dries, a psychologist at a children's clinic in The Hague, deals mostly with children between 5 and 15. "Fifty

per cent of my young patients have school problems. But in the four years I have worked here, only three teachers have bothered to see me," she said.

"Classes are too big and teachers too little inspired," she said. Dutch police agree. The number of youngsters who run away from home because of school or domestic problems is rising fast, they say.

The police deal with about 50,000 cases annually, according to the directors of social affairs in the Netherlands.

Still, most of the country's estimated 1,150,000 youngsters between 15 and 21 are not that wild.

They still eventually marry and have children. They are generally not interested in politics and shrug off the Soviet threat as "cold-war talk."

"They do not really believe in drugs, but do believe in sex and generally favor military service. They love pop music and parties."

But they seem less enterprising than their forebears, who for centuries swarmed out to the colonies in the East and West Indies.

"Only 2,000 serious applicants annually volunteer to work in the underdeveloped countries," Guus van Geer, of the Dutch

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Overconsumption, Large Exports of Gas Cloud the Energy Picture

THE HAGUE (HIT).—Natural gas has been practically every Dutch home and gas exports are the major prop of the Dutch economy, but the troubling question facing the Dutch government is how to stretch the natural gas bonanza as far as possible.

Large reserves of gas were discovered in the northern part of the country in the early 1950s. Since development of the fields in the 1960s, the Dutch have come to depend upon it for domestic use, for industry and for a healthy balance-of-payments surplus which has kept the guilder strong.

But the end of the gas boom is in sight. There is no panic, but measures are being adopted now to extend the use of the nation's reserves beyond the year 2000. The rate of growth of national consumption has already been reduced from 30 per cent a year to 6 to 8 per cent and the search continues for more fields adjacent to Groningen, the center of the remarkable Dutch gas boom, and out in the North Sea.

The Netherlands' looming energy problem has two major causes, aside from limited known reserves: a reliance upon natural gas for 53 per cent of national energy consumption, compared with original forecasts of 35 per cent, and the fact that long-term export contracts to West Germany, France, Belgium and Italy, some of them signed before the world energy crisis, take half of the annual production.

The Dutch now naturally regret having signed 24-year to 25-year contracts with their neighbors at

It is because the Netherlands has become accustomed to living off

gas—not only homes and plants run off it but also the nation's

greenhouses—that the government is seeking a better

rationalization of its valuable national asset.

prices low by today's oil-linked rates. A reason for the length of the contracts was that the four major buyers had to invest many millions of dollars in pipeline networks. There was also the belief in the early 1960s that nuclear energy would soon take over from other sources.

The contracts did contain indemnification clauses and price increases are being renegotiated. Gas prices, unlike those for oil, are shrouded in secrecy, but the general feeling in the Netherlands is that N.V. Nederlandse Gasunie has not benefited fully from higher world prices and that a major contract with Italy was at old rates. Ten per cent of Gasunie, which markets Dutch gas, is owned by the state, 40 per cent by the state-owned mines, 25 per cent by Shell and 25 per cent by Esso.

But the main criticism is that so much of the valuable energy source is allowed to go for export.

S. A. Risak, general commercial manager of Gasunie, explained in a recent policy statement: "Original marketing plans included export sales because it

was thought that the available reserves could not all be sold in Holland within a reasonable period of time. There was no talk of shortages then and the conventional fossil fuels (oil and coal) were so firmly entrenched in neighboring countries that the executives responsible for organizing export sales reckoned they had a long, tough battle ahead of them. The early years confirmed their fears and the first few contracts were hard-won.

'Severe Blow'

"With the benefit of hindsight, it is easy to say that exports have been allowed to take too large a slice of the cake. But you cannot simply ignore the reasoning which was valid 12 years ago and the commercial obligations which have been entered into just because you find circumstances have changed. In any case, it would be a severe blow to the Dutch economy, especially in the present recession, if that export income suddenly dried up."

Gas exports now contribute 10

billion guilders annually to the balance of payments.

Mr. Risak added: "We are not running out of gas," but the fact remains that 1978 will see a peak in sales of Dutch gas. Imported gas will arrive next year from Norwegian fields followed by other imports. Priorities will be established among national consumers. At the top of the list will be householders—until the 1980s at least—and key industries. There will be no new contracts with power stations and for them it will be a switch back to coal or oil. Prices will be raised as a deterrent to over-use. There is already a campaign backed by TV ads and posters to make natural gas consumers more energy-conscious as well as subsidies to help homeowners improve insulation.

One of the senior officials in charge of the policy to cut over-dependence on gas reflected nostalgically: "I was also one of those who rushed from oil heating to gas. My bill fell to a third."

It is because the Netherlands has become accustomed to living off gas—not only homes and

plants run on it but also the nation's greenhouses—that the government is seeking a better rationalization of its valuable national asset.

Power Stations

The Netherlands' energy plan also calls for efficient use of oil and coal imports, but the decision on three 1000 MW nuclear power stations has been postponed until next year because of problems over where to site them in a densely populated country.

The new General Energy Council will concentrate on the gas question and how to obtain and reduce present annual consumption of close to 50 billion cubic meters. To maintain natural gas 50-per-cent share of total energy supply until the year 2000 would mean buying vast quantities of gas. The nation's gas-marketing plan suggests it might be a reasonable target to continue at a level of about 24 per cent of total Dutch energy demand until at least the year 2000. The idea is for a turn-of-the-century market of 50 billion cubic meters a year and a head to buy 10 times that amount to support such a program. Additional gas could come from the Dutch continental shelf, where the pipe system is being streamlined to link offshore fields, and Norway. In the longer term, gas could be purchased from Algeria, Nigeria, Iran and the Soviet Union.

The gas-marketing plan says a great deal of ingenuity and flexibility will be needed by the nation's gas boards and Gasunie to meet these objectives in the decades to come.



Floating-pipe assemblers prepare a natural-gas line to embed in the sea.

Offshore Industrial Park an Ecology

THE HAGUE (HIT).—Creation of the world's first offshore industrial island, with workers commuting by helicopter, is the idea of a science-fiction writer but of Dutch planners anxious to separate vital but polluting industries from the Netherlands' overpopulated cities.

The plan for a man-made island is a logical extension of the policy of placing heavy industry on reclaimed land protruding into the North Sea, as is the case with the Maasvlakte zone beyond the harbor entrance to Rotterdam.

The island would not only allow industrial expansion to go hand in hand with reduced pollution, but would provide a perfect site for a liquefied natural gas terminal deemed necessary by Dutch energy planners but feared by environmentalists because of the danger of explosion.

Dutch engineers foresee no technical problems with dredging sand for an island up to six miles long and three miles across and situated 30 miles off the Hook of Holland. The dredging firm of Bos Kalk Westminister, main backer of the island, has built smaller islands in the past—the first was in the 1920s in the former Zuiderzee and was built as a refuge for dredgermen enclosing that inland sea. There followed other work islands for offshore hydraulic structures, reclamation and sea defense, and intermediate islands as first sections in the enclosure of sea bays, and more recently oil and gas exploration islands.

The aim now is a big, multi-purpose industrial island well out to sea. Geologist Gishert

Schreuder and his team have produced a feasibility study for the 25-company North Sea Island Group, and the Dutch government has nominated a special committee to study the island.

Mr. Schreuder said the government body is well on its way with the study. "The major considerations," he said, "have been overcrowding and pollution, and there has been very little opposition to the idea from public or private bodies."

The island eventually could accommodate a large nuclear power plant, petrochemical industries and storage for dangerous substances. Sand could come from dredging a new channel for super-tankers. The project engineers stress that there are no insuperable technical problems. They envisage an island providing employment for 30,000 people working three days on, four days off. Plants would work around the clock, and a maximum of 12,000 workers would be on the island at any one time.

Could Cost \$2 Billion

The plan is to house them in hostels, to pay them 25 per cent more than mainland rates and to provide soccer fields, shops, a bowling alley, two cinemas and a library. There will be no cars. Workers would be moved around by coach and commute by large helicopters. No one would be registered as living on the island.

One obvious problem is cost, although the North Sea Island Group does not think there will be financing difficulties provided construction is divided into well-

defined phases. The "high density" stage, as high as \$2 billion between the Dutch and the companies with Shell, Phillips, Texaco, Esso, and others.

A more limited plan for a liquefied natural gas terminal would mean a \$300 million and another \$100 million gas facility. This could be under way for by then the Netherlands would be importing gas from Africa and other areas in order to stretch its reserves. Mr. Schreuder said the island would have to be built in a safe area, away from civilian settlements.

The island would Dutch territorial waters, international law, Dutch could apply laws provided the island is built on the Dutch side of the shelf. Other countries to be persuaded to waste and pollution in their direction, will have to be found to island from becoming a dumping ground.

The chances of Dutch pioneering an area of technology and that the island built. The Dutch also other nations will be similar environments and they would be what could be seen in building industries.

Focus on DSM

Looking in the mirror of Fortune's directory of the 300 leading industrial companies outside the USA, DSM is showing steady progress.

In 1972 DSM—whose principal operations are in the chemical field—ranked number 99, in the next year 84, whilst in the latest list, relating to 1974, DSM had advanced to 71.

Striking? Perhaps. But such leaps are not all that surprising for a company which is long

established producer of fertilizers and nylon on a large scale. And furthermore DSM holds an important position in the production or supply of, for example, hydrocarbons, plastics, rubber, energy and building materials.

During this evolution and diversification, DSM has become an internationally operating group of varied companies in Europe,

the USA and elsewhere in the world.

Total group sales, in the last 6 years (1970-1975), have increased from \$450 million to approximately \$3000 million and the number of employees, taking into account all companies in the group, now amounts to about 30 000.

All in all then, there's even more than meets the eye in DSM's position on the Fortune list.



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Cost-Cutting Is Principal Goal of KLM

AMSTERDAM (IHT). — The board at KLM headquarters, Schiphol near Amsterdam's main airport, is to get out a report before any merger with Belgium's Sabena and France's Lufthansa.

Dutch airline feels it is on a road to its target. It expects to incur only a "small loss" of 5-7% following a previous year's loss of 65.4 million guilders. This had swollen losses to four years up to mid-1974 to 264 million guilders.

Three governments and airlines in 1975 asked McKinsey & Co., the international management consultants, to study the benefits of cooperation. The report was in favor of cooperation as offering the chance for a joint improvement in results. It was not a recommendation, and the airline with its various options went to governments, trade unions and staff in the three countries. A decision is expected and a working group of civil servants will first report on the report.



An aerial view of Schiphol airport.

5-Year Prediction

McKinsey found that results for next five years will improve for each company, but that will be the only one to be achieved during that period. Results of the three independent companies without any union were estimated as a 5 million guilders in 1980, with 185 million in 1974 two-thirds of this was by Sabena.

At present, all three lines are cutting costs but the report that such improvements in finance, central services and management would mean KLM would make a profit, a major breakthrough and continuing to lose.

Cooperation could improve by 1980 from 31 to 69 million guilders, and complete integration would make a 185-million difference by the end of the decade. Independent staff could be 650, or rise to 1,000 with complete integration. Cutbacks are one of the problems facing the airlines and airline boards, particularly in Belgium, with its language employment situation. Another is plane-purchasing. A third is that of the airport, with its free airport for IATA carrier, Lufthansa, greater international char-

acter of KLM is recognized in the report with the suggestion that intercontinental planes be maintained at Schiphol in the event of a merger.

KLM has traditionally operated long routes to the area of the former East Indies, to Australia and North America. It celebrated 50 years of flights to the Far East in the fall of 1974.

After last year's depressed results, KLM reports that traffic across the Atlantic is picking up, as is that to the Middle East and Far East. It operates a successful route to Japan over the North Pole.

Latest monthly figures, for February, show a 13-per-cent rise for passengers and freight, while for the 11 months of the 1975-76 financial year, passenger traffic on scheduled flights increased

3 per cent. Charter traffic fell off, but mail services, including the use of Schiphol as a kind of international post office for the forwarding of magazines from around the world, increased 10 per cent during the 11 months.

Another Airport

KLM's other concern is the proposal for a second Dutch airport, costing 5 billion guilders at today's prices. Sites suggested are either reclaimed land in the Zuider Zee or at Dinteloord, near Rotterdam. Cost weighs heavily against this project. Another argument against a second major airport is that revised traffic forecasts estimate that Schiphol, now handling 3 million passengers a year, will handle only 40 million by the 1990s, and not 90 million as had previously

been forecast. Reduction of aircraft noise would counter much of the environmentalists' case against an extension of Schiphol. The terminal there has been doubled, and KLM, like most passengers, remains attached to what is undoubtedly one of the world's most comfortable and decorative airports.

Explaining the motives for present cost-cutting, a senior KLM man stated, "We have a responsibility toward our 17,000 employees, to the economy in general, and particularly to Amsterdam. Amsterdam depends on KLM."

KLM provides half of Schiphol's business, although it is used by 50 other airlines and by 400 foreign companies as a store and distribution point. KLM sees little reason to change.

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Mideast Sales' Buildup Helps Balance Trade

HAGUE (IHT). — Householders, port engineers and gear-farming businesses seen responsible in the main for the highly successful sales of the Netherlands in the East, the drive which helped balance the overall export bill.

Middle East still occupies a small position in the export picture. However, it jumped to \$2.463 billion last year, but the markets were won in a period of virtual Arab

of the countries most affected by the 1973 Arab oil embargo, the Netherlands launched a massive last spring to improve trade relations. One was a visit by Prince Fahd of Saudi Arabia and a mission by 50 businessmen by Economics Minister Lubbers.

May, Dutch Foreign Minister van der Stoep met with an Arab delegation in Cairo, ironed out some misunderstandings and the meeting paved the way for technical cooperation.

Advised by Bank

the biggest successes have been in Saudi Arabia. There the economic-cum-diplomatic drive was helped by the fact that the Bank Nederland was advising the Saudi royal since the days of King Ibn

By the end of last year, the Middle East order

book of the Netherlands had been pushed well

over the \$2-billion mark... The Dutch can

say confidently that they have mended

their fences with the Arab world while

maintaining their ties with Israel. This

month, the Philips group was taken off the

Arab boycott list.

Boa Kalis Westminster Group NV at Ad Dammam, Saudi Arabia. The Dutch are also hoping for major housing and shipping orders in Iran.

Of course, most Dutch exports go to Common Market partners and the United States. Exports to the Middle East are still a long way from balancing the nation's oil bill.

Percentage Increases

But some of the percentage increases are big indeed—including a rise of 128 per cent in exports to Iraq last year, in which milk and other foodstuffs played a major part. An 88-per-cent rise

in sales to Iran was made up of agricultural machinery and produce in addition to industrial goods and houses.

Dutch agricultural exports to the Middle East are now running at an annual rate of close to \$300 million, divided between foodstuffs, dairy products and flour on the one hand and assistance in developing local agriculture on the other. This includes breeding cattle, seed potatoes, seeds of all kinds, farm machinery and buildings and know-how.

The export drive is coordinated by Dutch agricultural attaches and will be expanded by exhibitions throughout the area. Milk sales are strong and Dutch firms, backed by the Rabobank, are linking with Iranian investors to set up a major milk powder plant in Iran.

Tankers for Abu Dhabi helped those figures while Dutch exports rose 33 per cent to another oil cartel member, Nigeria, again on a mixture of agricultural and industrial goods. With the help of natural-gas sales, it meant that the Netherlands can forecast for this year a 6-billion-guilder balance-of-payments surplus.

The Dutch can say confidently that they have mended their fences with the Arab world while maintaining their ties with Israel. This month, the Philips group was taken off the Arab boycott list.

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largest building concern in the Netherlands, Ballast Nedam, won a \$416-million contract to build 11 towns in Saudi Arabia. The towns will be constructed with shopping centers, mosques and water and sewerage systems as well as the houses, of course. The contract will take three years to complete and Dutch engineers and building workers, along with families, are now in Saudi Arabia, a testimony to the change in political climate between the Netherlands and the world.

ch skill in adapting technology to a now sophisticated market was in evidence in Saudi Arabia. The contract-winning demands for two-story, flat-roofed buildings fully equipped and furnished, including beds, children's rooms, kitchens, air-conditioning power plants,

at a Dutch consortium, includes Steinhilber Group NV,

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Nine Business Leaders' Open Letter on Free Enterprise

THE HAGUE (DUT).—The government has reacted with an almost disdainful silence to the strongly worded "open letter" sent to it by nine company chairmen. The letter was a defense of big business and of profits and at the same time a plea for a reduction in the soaring cost of the welfare state.

The government seemed surprised that the big corporations were hitting back. The nine chairmen addressed their statement to "the Netherlands government and parliament." Premier Joop den Uyl stated early that he did not react to open letters (it was the first time of the kind that the government had received). The Economics Ministry elaborated: "The letter had no address so there was no official comment from our side."

The signatories were J. R. M. van den Brink of Amro Bank, H. P. van den Hoven of Unilever, G. Kraaijenhoff of Alka, P. van Meerten of Nationale Nederlandse Insurance, H. A. C. van Blommestein of Philips, F. O. J. Sikkink of VMP Stork, A. Stikker of Verolme Shipping, E. van Veen of Hooft, and G. A. Wagner of Royal Dutch/Shell.

Opinions

The chairmen have said that they stand by the views expressed in the letter—opinions which have led to wide debate within the country over future government economic policy.

The open letter read:

It is not customary for a number of directors with responsibility for the management of big companies which make sizable contributions to exports to issue a joint statement on matters of national importance.

But why did we decide to do this now? Because the Dutch economy is going through difficult times. Because we are very worried about this. Because there are a number of deeply rooted problems which demand an urgent solution. Besides the views that have to be put forward by the confederations of industry, we feel that we ourselves share responsibility for arousing public awareness of these questions. What we have to say is not new, but it is of such urgency under the present circumstances that we believe we must make our views known publicly and plainly.

Why us? The directors who have signed this letter manage public companies which provide jobs and prosperity for many hundreds of thousands of employees and which look after the welfare of tens of thousands of retired employees. In addition, hundreds of thousands of investors, big ones but above all small investors, very many of whom live in the Netherlands, have entrusted part of their savings to our companies, either directly or via investment companies and pension funds. The overall interests we represent are so wide-ranging that under the present circumstances we think we are not only entitled to have our say, but we must have our say. Moreover, we believe that what we are advocating is indeed beneficial to the affairs of the nation and that it involves far more than just the interests referred to above.

Worries

Why are we so deeply moved? It is not primarily the international recession, despite the fact that its consequences are serious enough—even for our country. This recession will come to an end. Even now indications of a nascent recovery can be seen in a number of countries. Our worries are rooted still deeper. They revolve around a number of long-term economic problems which are related more specifically to the Dutch economy.

The Netherlands is a small and densely populated country, more dependent on international trade than practically any other country. Its very breath of life is drawn, as it were, from across its borders.

Prosperity

By taking advantage of its favorable location, with the encouragement of a realistic economic policy which offers companies good prospects and sufficient room to maneuver and with the support of constructive consultation between employees and employers, this country has built up an exceptional record in the field of employment and prosperity. Until several years ago almost anyone who wanted to work was able to find a job. And even today the prosperity enjoyed by wide masses of the

population is greater than ever before.

The vigorous growth in world trade has enabled us to make a great contribution toward the national economic success. Furthermore, the Netherlands has for many years been able to acquire an increasing share of that growing international trade. And now, at the very time when that growth has become very much slower, it seems as if we will hardly be able to maintain our share in world trade.

Competitive Position

For a great number of years the competitive position of the Netherlands has been very strong compared with that of other countries. Consequently, Dutch industry fared well right up to the mid-sixties. After that our competitive position started sliding downhill. Corporate profitability rapidly declined. During the seventies profitability even dropped far below the level needed to insure the continuation and expansion of operations. Owing to the continual erosion of profits, the financial vulnerability of large sections of industry has become so aggravated that both modernization and expansion are nowadays being severely shackled.

Investment Sag

So there is every reason for concern. Every reason to expect that all of us ought to be doing our utmost to improve the situation. But the opposite seems to be the case. This happens to be a time when we are being confronted with a poor business climate in which the frequently destructive criticism of private enterprise continues unabated. Nor is the policy of the present government making an adequate contribution toward restoring confidence in future business prospects.

Under such circumstances businessmen frequently find that they are compelled to abandon their plans for new capital projects, investments which are necessary to maintain the number of jobs and to create new employment.

Such a trend is extremely dangerous, especially for an internationally oriented business community such as that which exists in the Netherlands. If we do not succeed in achieving a long-term

improvement in corporate earnings, in creating new export opportunities and, as a result, in effectively combating structural unemployment, the consequences will be grave.

Social Superstructure

We would like to state first and foremost that the social security facilities that we have in this country are a valuable asset. But we are afraid that much of what has been achieved over the past few years—for instance, the fulfillment of many desiderata, very much improved material welfare for wide sections of the population, increased care for the underprivileged within our society—will be destroyed if we do not succeed quickly in greatly strengthening the economic foundations on which the social superstructure is built. To achieve this, a deliberate step back will have to be taken here and there in government spending—even as concerns social security—in order to stop matters going from bad to worse.

In assessing the situation we must be particularly careful not to be obsessed with the income from natural gas, an income which is only temporary in nature—a fact that is often overlooked. It is being used too much to finance government spending on goods and services, the burden of which will go on weighing heavily upon the Dutch national economy. We must abandon this obsession before it is too late. It is alarming that in the social dialogue matters of income distribution more or less take precedence while production problems are virtually disregarded. The cake that has to be shared did not bake itself, but was made thanks to the ongoing effort and forward thinking of all concerned.

Bottlenecks

Where are the major long-term economic bottlenecks?

• The Netherlands, which has long been a competitive country, now has higher production costs than most other nations.

• One important factor is that labor costs have climbed very steeply, especially in recent years.

• The main reason is the rapid rise in the incidence of taxation; social security contributions, the cost of national and local govern-

ment services and other levies; these are exceptionally high in the Netherlands. Initiatives aimed at alleviating this burden have been brought to naught since 1973 and the burden has been increasing faster still.

• The upward pressure on labor costs is being increased because of the enforcement of the statutory minimum wage. In the Netherlands the minimum wage is higher than in any other country and this causes wages which are above the minimum to rise even more.

• The rapid climb in labor costs has meant that the rate at which labor is saved by means of technological and organizational innovations has been too fast, despite the fact that this process is the basis of every advance in prosperity and welfare. It was impossible for the manpower thus released to be adequately redeployed via investment in industrial expansion. Such investment is in fact being made, in more and more cases by the excessive level of labor costs.

Layoffs

• One out of five members of our working population is not engaged in the production process because of layoffs or invalidity—although this is a fairly modest ratio compared with some other countries; the burden of the many nonactive people weighs very heavily on the incomes of the active ones.

• In this difficult economic situation our companies are being brought face to face with a social trend which is aimed at social reform—but this is based on a philosophy which we feel is biased and dogmatic. There is no denying that the social structure must be constantly adapted to bring it into line with changing conditions. But one must know where to draw the line and one must not lose sight of economic reality nor, as far as this country is concerned, of the basic principles of the free enterprise system.

Experiments Decried

We are thinking of the government's proposed plans for growth sharing and staff councils without management representation. We believe it is much more important at the moment to consolidate the

existing social security system on the basis of sound development than to experiment with this type.

The evolution toward more of cooperation in industry make progress without the experiments have hardly any opportunity to unfold. We believe that under the present acts of parliament, management can meet the basic need for new forms of operation in industry and give them their optimum and substance.

Effective Steps

However, the thing we most like to stress at this stage in 1976 is that, best short-term problems, the economy faces poor long prospects. The Netherlands not rectify the recession in its own, but the solution is largely in Dutch hands. Five steps toward solving problems must be taken as soon as possible. Our sense of responsibility compels us to that government employees should get across as soon as possible to discuss a fundamental change government policy.

The joint solutions we have to seek will, we feel, the following principal ones:

• A substantial reduction in taxation, social security contributions, the cost of national government services, other levies—as a precondition for a real cutback in the increase in labor costs, without dragging down the earned incomes.

• A radical improvement in business climate by means of constructive approach to Dutch business community by avoiding policies and measures which might sap the confidence at home and abroad the prospects offered by the Netherlands.

• And, the concentrating economic and social forces such a way that, via efficient consultation between government employees and employers, it becomes possible to formulate policy aimed at safeguarding employment, prosperity and fare in the years to come.

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هكذا من الأهل



Agriculture a Strong Point

The Land of Proud Farmers

THE HAGUE (IET).—In the eyes of most foreigners the Netherlands still has an image of a basically agricultural country and it is, of course, the largest exporter of cheese, flowers and tulip bulbs in the world.

Photographs of bulb fields and pastoral scenes dominated the windows of the Dutch pavilion at the 1974 World Agricultural Exposition in The Hague. Historically, the Dutch have always been highly skilled farmers and they must be among the best in the world.

Even the density of the population and the expense of land, which farmers have had no alternative in postwar years but to make intensive cultivation of the main agricultural products. About 25 per cent of the Dutch population is employed on the Dutch agriculture has always been operated on the basis of a robust philosophy—namely, home market is protected much, exports go by the

Pride of Farmers

There has been the attitude of the Dutch farmers and it helped to make Dutch agriculture a highly competitive industry. This has been helped by the attitude of farmers themselves who pride themselves on independence and would not readily be too much government interference. A remarkable thing about agriculture is that the organizations of employers and employees do not confront each other as in other countries but, on the contrary, are well inside the general framework of agriculture. Most agricultural businesses are mixed enterprises, for instance, farming cattle breeding or having livestock.

A high level of agriculture is due to good farm education, strong organizations, with their associated cooperative services, a complete information service and well-developed research facilities (mainly combined with the agriculture college in Wageningen).

Agricultural education, information and scientific research are the most important financed by government. Even though the government has increased its share in the proportion of the total production has steadily declined in recent years. At the end of the war some 15 per cent of the population were employed in agriculture and it is likely that the continuing decline in the number of farmers will eventually reach the level of 4 per cent. The process has, however, been slowed down by the fact that the poor prospects for people leaving the land and the alternative employment in other industries.

For farming is the pride of the Dutch farmer. The cattle represents some 85 per cent of the total income earned by the farmer. This is where an inter-

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research facilities...

sification has taken place in recent years. Dutch cows give the highest milk yields in the world—300 million gallons annually from the northern province of Friesland alone.

The stock of dairy cattle has increased from 1.7 million to 2.3 million head since 1965, or more than 30 per cent. On the other hand, the number of cattle farms fell by approximately 60,000 during the last 10 years, namely from 155,000 in 1965 to 95,000 early last year.

This is a decrease of 40 per cent. These two developments have resulted in a rise of the average number of dairy cows per cattle farm from 11 head in 1965 to 23 in 1974.

The milk is converted as follows: about 40 per cent into various kinds of cheese; about 20 per cent into milk for liquid consumption and products made of it, extra fat milk for use in coffee and into specialist products; 12 per cent into several condensed milk products; and 28 per cent into various kinds of milk powder of different fat content.

The federation of Dutch dairy cooperatives, which dominates this industry, has sought in recent years to find some outlet for dairy produce because the sale of milk for liquid consumption has been declining. To this end it has successfully urged the production of milk products like yogurt, buttermilk and custard, all of which are in great demand now.

While the consumption of fresh products remains stable, a federation official said cheese consumption continues to increase.

In 1950 the output of cheese was only 107,000 tons, this year it will be nearly four times as much—more than 418,000 tons. Nearly 80 per cent of Dutch cheese is exported, two fifths to West Germany.

Apart from being the largest cheese exporter in the world, the Netherlands is also the largest exporter of condensed milk. In 1950 the output of condensed milk amounted to 173,000 tons. At present it is more than three times as much, 535,000 tons.

Along with the Danes, the Dutch are the European Economic Community's best producers of pigs and bacon products and in this

sector, too, specialization has been highly refined. Thus some farmers confine themselves to breeding pigs and sell them after their first three months to a farmer who concentrates entirely on raising them from that point on.

For both this is a cheaper method than having one farmer follow the whole process from birth to slaughterhouse.

Pig farming has developed rapidly—indeed, it has almost been too successful. The slaughterhouses, who have made contracts with both producers and food processors, have a vested interest in stimulating production to the maximum and there will be an estimated 10-per-cent increase this year in the Dutch pig population.

Farming organizations are alarmed at this prospect because it could damage the market and they fear that the long-term effects of concentrating on quantity rather than quality could be harmful.

Pig farming is attractive to the smaller farmers, holding up to twenty acres, because farms of this size and under cannot afford to invest in the expensive mechanization of dairy farming which dairy food producers insist on.

Despite the expected increase in pig production many of these farms have been struck by an emergency this year—the widespread effect of Aujeszky disease which is as fatal to pigs as foot and mouth disease is to cattle. In the past two months over 140,000 pigs in the north Brabant region alone have had to be killed to prevent the epidemic spreading.

The farmers are learning a lesson from this, which is that the bigger the unit, the greater the risk of disease spreading. For this reason government agriculture advisers are now trying to discourage farmers from expanding too much.

These advisers also have another motive. They believe that the environment is better served by concentrating on only medium-sized farms. This is a preparation for a proposed land improvement law which is expected to take effect from 1978. Its purpose is to reconcile the often conflicting demands on scarce resources by farmers, industry and environmentalists.

With a per capita share of land of only a quarter of an acre the difficulties of preserving the Dutch "green room" (as they like to describe it) becomes more intense each year.

These have also affected horticulture—for which the Netherlands is perhaps best known internationally. Flower and vegetable growers were also worst hit by the energy crisis, and they are in a difficult financial position because of the high prices of oil and natural gas which increased a year ago by approximately 25 per cent.

This is a critical situation for the Netherlands as horticulture plays a significant part in the economy. Half the total acreage of horticultural glass in Europe is to be found here.

The immediate future for Dutch horticulture is just as grim, but this is the feature of an agricultural industry which otherwise flourishes.

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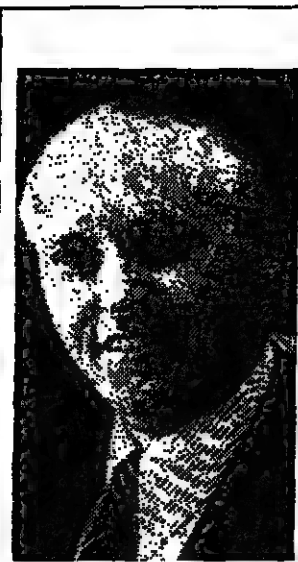
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North Brabant (The Netherlands)

The green province: key to industry, learning and culture



In his prominent function, Mr. J.D. Van der Hart, Governor of the Province of North Brabant, strives to maintain a balanced economic, social and cultural sphere throughout the province. Deeply concerned with the well-being of the many people under his charge, he has recently established a central committee for socio-economic development to look into all aspects of the economic and social patterns in North Brabant. The strongly growing professional population is a positive establishment factor, a signal for the provincial government to create work vacancies for this group. The excellent establishment factors should be used to further strengthen the province's economic position, not only through industry, but through service-leading as well. Provincial government goes to great lengths to accomplish this in its efforts to advance the total well-being of the North Brabant population.

The Netherlands province of North Brabant is situated in the middle of the European Common Market, in the center of the Benelux, and in the heart of a triangle formed by Rotterdam, Antwerp and the Ruhr. Covering more than 510,000 hectares (1 hectare = 2.47 acres), North Brabant has been described as being Dutch through and through, yet with subtle differences from the other provinces. Scenically it certainly has much to offer in woods, streams, forests, moors, parks, and farmsteads with thatched roofs. But it is the people who give it its real atmosphere, for the inhabitants of North Brabant have that happiness, optimism and sincerity which result from a religious tradition, a clearly discernible expression which, together with a dynamic, cohesive society, has such a magnetizing effect on strangers.

North Brabant's population is steadily increasing. In 1950, 1,267,200 inhabitants were registered, while in 1976 the number stood at 1,960,800. The estimated figure for the year 2000 will hover around the 2,450,000 mark. The population is distributed quite evenly throughout the province, however, affording a wide range of services within reasonable distance of any one area. And further, Brabanters are industry-minded, a factor of great importance in the development of new opportunities. Another important aspect of the province is that it possesses a wealth of natural beauty and therefore offers opportunities for open-air recreation and other facilities for relaxation. That North Brabant has been designated the green province is hardly ambiguous, since the region is famous for its verdancies.

The unending efforts which have gone into economic planning, city and industrial development, and the establishing of a better living climate, have led to a completely new structure which has totally changed the image of North Brabant. The agrarian character gone, the province today is typified by an attractive balance between modern construction and rural openness. Of the many advantages which the province offers, perhaps the most valuable is the opportunity to become part of a well adjusted, homogeneous community—a united society having a lasting social, cultural and economical impact.

Infrastructure and economy

Especially since the war, the province of North Brabant has undergone great changes, the tendency of which has been to improve the structural and economic position of this region to the greatest possible extent. To this purpose, particular care has been devoted to the expansion and harmonization of the infrastructure.

Partly as a result of these developments, the province can be classified as an ideal area for the establishing of industrial firms and service-rendering organizations. Important infrastructural works under government auspices have improved highways and waterways so that ready access to North Brabant and its ports of entry is available from all parts of the country.

Of all eleven provinces, North Brabant can lay claim to being the most industrialized and with a large variety of industry and service-

rendering organizations, from the huge Philips' concerns (native to North Brabant) and its ancillary enterprises, to the fine-metal industry, the foodstuffs industry, machinery manufacturing, and the country's only fully integrated automobile plant. In addition, a great many multinational enterprises are established in North Brabant.

As the supply of labor in North Brabant is greater than in other parts of the country, the province is rich in possibilities for the establishment of new enterprises and multinationals which will be able to take advantage of this pool. Furthermore, the youth group is at the moment such that in a short time this category will be ready to greatly boost the labor market.

Formerly noted as an agricultural area, increasing redundancy in this sector has resulted, then, in a surge towards industrial reorganization, closely followed by the services sector, which is gaining in importance. In order to better understand the industrialization process, however, some thought should be given to the district's mental disposition. Inhabitants of North Brabant have always been noted for their willingness to work as well as for their capacity to learn. Friendly and easy-going, whatever they do, they do with energy and spirit.

Therefore, when the trend to mechanization and industrialization first became evident some 20 years ago and programs for the restructuring of the economic and social life of the province were undertaken, vocational retraining was readily accepted.

The problem-free labor potential has always been, and still is, a great inducement in luring away Dutch and foreign firms to relocate in North Brabant. The region's intensive retraining program, a policy that was adopted more than 20 years ago—indicating astute foresight—has on the part of regional government—has been responsible for a supply transition from the old agricultural pattern to a new and modern economical structure.

North Brabant Institute of Economics and Technology in Tilburg is thoroughly experienced in giving assistance to firms wishing to become established in the province, advising of the preferred places to settle in as objective a manner as possible, taking into consideration the needs of each firm and each area, available labor, expected population growth, etc. The ETIN cooperates on the provincial level to further economic development of the region. Part of its task is to eliminate any obstacles which might hinder the establishment or expansion of industry. Since nearly all industrial sites are owned or controlled by the municipalities on a non-profit basis, good services are assured. Industrial sites available or under preparation in North Brabant in 1975, shown in hectares, are given in the following table.

Region	Industrial sites available immediately	Available shortly in future	Available planning during 1981-74	In 1975	Sold 1961-74
West	797	836	299	111	1,152
Moerdijk	64	801	—	—	329
Central	56	93	39	344	360
Northeast	308	50	98	189	470
Southeast	168	74	198	570	446
Total North Brabant	1,369	1,053	634	1,214	2,428

Government incentives

The Netherlands Government, in its effort to attract new industry, grants financial incentives for the establishing or expansion of enterprises by aiding in ground, building and equipment costs, in particular by offering premiums of 25 per cent of the capital expenditure on fixed assets. These include the cost of land and of acquisition of buildings and machinery. For expansion of industrial enterprises a premium may be given of 15 per cent of the new capital expenditure on fixed assets. These regulations apply to the cities of 's-Hertogenbosch, Tilburg and Helmond, and in some cases to Bergen op Zoom, Cuijk, Oss and Uden.

Housing, education and culture

In many fields throughout the length and breadth of North Brabant, assiduous activity is discernible on all sides. New housing has priority in each community, with education, recreation and culture, medical facilities, etc., following close behind. In 1974, over 21,800 new homes were completed, almost double that of 1963. Throughout the province during the 10-year period 1965-75, approx. 21,700 new houses were built yearly. Shopping facilities are ample and diversified (as of 1972, more than 1,600 new stores had opened in shopping centers alone). Each regional plan, whether existing or projected, makes allowances for complete medical centers, available to all. The province had a

total of 26 well equipped hospitals (8,900 beds as of 1973), and new facilities are in various phases of completion. The province is well provided with various institutes of education, the most important being the Technological University in Eindhoven, the University for Social Sciences in Tilburg (economy, psychology, sociology, law, theology), followed by a wide scale of technical and non-technical higher and senior secondary schools, a Royal Military Academy, a College of Textile Technology, arts and crafts schools, a Brabant Conservatory, and miscellaneous trade schools. Those interested in the fine arts—music, painting, sculpture—will find North Brabant a promising crossroads of cultural sophistication, with modern museums, theaters and art galleries in all the larger cities of the province.

Recreation

Vast expanses are given to recreation, a surface of 482 m2 being allocated per head of population.

A profuse variety of recreational facilities are spread throughout the whole province, many of national, and even international, importance such as "de Efteling," Eurostrand, "de Beekse Bergen" and the "Eindhoven," an interesting and educational scientific and technical exposition. There is also marked interest in North Brabant for water sports and water tourism, and excellent yacht harbors are found all over the province or are under construction. Extreme care has been taken to preserve the region's natural, verdant beauty. The national park "De Oostvaardersplassen" and several other natural reserves totaling more than 65,620 hectares give to North Brabant an emerald-colored glow, dispersed here and there with lakes and waterways of sparkling effervescence. These beautiful natural reservations are known for their beaches, dunes, extensive heather fields and teeming bird and animal wildlife.

Municipal expansion

The cities and towns of North Brabant are totally different in character from the rest of the country. Small communities tend to stay small while larger cities have everything one associates with them, but whether large or small, all pulse with undiminished vigor. Maintaining an even ratio between industrial development and service-rendering organizations—one being a logical and natural effect of the other—has always been achieved and is consequent of a responsible expansion policy.

Capital city of North Brabant is 's-Hertogenbosch, comfortably situated within easy reach of major Dutch cities and the neighboring industrial centers of Germany and France. Formerly a powerful fortress, 's-Hertogenbosch has, like most Dutch cities, seen its share of war. Its center still reflects the medieval character of bygone centuries. With 86,000 inhabitants, as of 1976, the city is the hub of a social and economic agglomeration of 141,000, and a surrounding region of some 216,000.

Always a city of commerce with good road, rail and water connections, 's-Hertogenbosch after 1945 made great industrial strides, with many foreign enterprises becoming established here, of major significance for the region's structural pattern. Common with the rest of North Brabant, 's-Hertogenbosch has a thriving social, cultural and economical pattern, with a wide variety of industrial and service-rendering enterprises.

Eindhoven, equally important economically, is modern, bustling, a city that knows where it's going, a city speaking with energy. Energy not only generated from its home grown Philips' industry, but from its citizens going about their daily activities in their inimitable, stimulating manner. Central to Belgium, Germany and France, and maintaining daily flights to Amsterdam, Hamburg, London and Brussels, Eindhoven is destined to become Holland's second population area in density after the "Randstad." The city had a 1976 population of nearly 192,600, while the agglomeration totaled 352,000. For many years now, Eindhoven has been engaged in continuous activity to adapt the quality of its living style to its social, industrial, technical and commercial levels.

New office complexes, shopping centers, a second theater, a modern city hall, plus many secondary projects have been realized already.

Helmond is a surprising combination of city and country, finding time for building and working to enjoy its many moors, galleries and canals, and the beautiful natural reservations, woods and parks which enclose the city on all sides, displaying hundreds of variations of green.

The above might also be said of nearby Helmond. Going substance with each passing century, Helmond today is a thriving center of 60,000 (1976) with a modern management administration leading it along responsible, rational lines. Tilburg as well has been subjected to a program of renovation and development.

Favorably located in the center of the province, Tilburg (1976 pop. 152,000) is no more than 44 miles distant from Europe's most important seaports, with good arterial roads linking up with all Dutch cities and with the industrial area of Western Germany and that of northern France.

Ample acreage is available for immediate possession for the establishing of industrial operations and, since long-range forecasts show that

population increases will be commensurate with expected industrial output, an adequate work force is assured.

Another striking example is Breda (1976 pop. 118,000), with the neighboring community of Oosterhout (pop. 48,000). Encircled by a shady, wooded landscape, Breda today is a very up-to-date city with ideal living conditions, skirting the most densely populated and industrial areas of Holland. The city's growth has been directed along structural lines in a manner showing an acute sense of responsibility. Through use of good physical planning, Breda's center reflects almost perfect balance, with excellent shopping facilities, and the surrounding districts enjoy a close harmony.

Enlarging the Mark and Wilhelmina Canals has given both Breda and Oosterhout access to shipping up to 2,000 tons, and has had vast ramifications in further developments. With an area population expected to reach anywhere between 65,000-75,000 by 2000, new industry has ample potential. Through plans such as this, industry is offered a new future, with a labor market willing and able to tackle new chores. As one of the province's growth centers, the development of Breda has recently been stimulated through government support including extra financial aid.

Other cities also figure conclusively. Bergen op Zoom, for instance, a residential and industrial city of 4,000 (1976).

It has a natural port, prominent in the Eurodelta web and is excellently connected to the Brabant hinterland, the ports of Antwerp and Rotterdam, and the Delta works. With an industrial pattern based for many years on metals supplemented by light industry, Bergen op Zoom forms a concept of a nucleus city in the throes of expansion. Roosendaal, an important railway junction, has developed since the war to an industrial city of 52,000 (1976) inhabitants. This city has an exciting industrial climate, no longer deterred by initial hesitations. It is set off by excellent management and gains significance through the many national and international firms that have become established here.

The favorable service package Roosendaal offers is responsible for this, as is its contemporary structural pattern. Available industrial sites some 210 hectares as of 1975, are situated equidistant between Rotterdam and Antwerp, in the heart of the Common Market.

Oss, a significant residential and manufacturing city in the northeast of the province with almost 46,000 inhabitants and approx. 12,000 industrial labor situations, has, since the war, developed into the second city in the province's northeast section, with a highly attractive social and welfare climate. The industrial structure rests mainly on the foodstuffs, chemical and metal industries. The city's industrial sites are accessible through the Maas River for inland shipping to 2,000 tons.

When considering the Moerdijk Industrial Terrain lying along a deepwater channel and adjoining Europort, one clearly realizes how a fluid cooperation of diverse agencies can lead to a homogeneous, workable plan, beneficial to industry and community alike, a plan which assures a pleasant, profitable future. Comprising 1,350 hectares for strictly industrial use, a 600-hectare green zone, 270 hectares water and an additional 350 hectares for infrastructural activities, this new industrial area in the shadow of Rotterdam signifies changes of great social and economical importance not only for the immediate area, but for the whole of Brabant.

A new profile

North Brabant, in spite of the rapid industrialization which has taken place since 1945, has been able to maintain a good, pleasant manner of living, with the great natural beauty of the province remaining unscathed. Both within and beyond the sphere of the economical and social climates, North Brabant is marked by "cooperation" rather than by contradiction. In this age of technical and environmental advancement, North Brabant is an effusive, energetic force economically, socially and culturally, spreading out new impulses not only ripples on the surface of water.

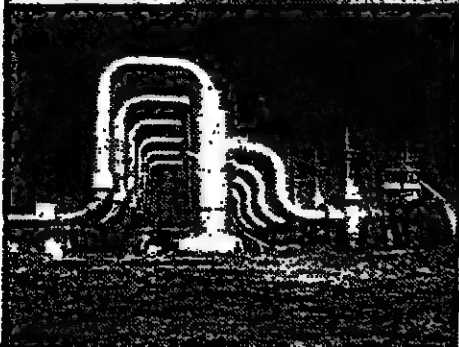
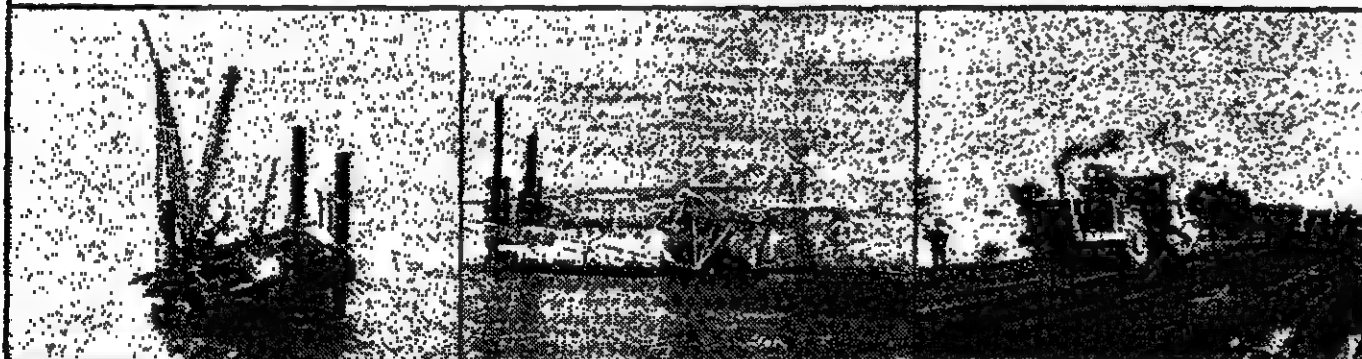
A wide differentiation of products and services, flourishing centers of culture and recreation, and an attractive social pattern have provided North Brabant with a new profile, with an economy and society on the move, an area of mind-boggling growth. Serious and adept planning offers opportunities for the imaginative but sound, consultant, manufacturer, contractor or exporter, to help open up and mutually rewarding horizons of economic cohesiveness.

Further information may be obtained from:

Provincial Government of North Brabant
70 Gouda Gezelschap, 's-Hertogenbosch - telex 50245
Institute of Economics and Technology (ETIN)
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Port-Haul Aircraft That May Go Far

(IHT)—Europe's the VFW-614, once to prove it, to the Continental air transport enters service re-based French Touraine Air

Fokker now calls its planes European...

For the F-28, Shorts, of Belfast, makes the

wings. Rolls Royce supplies the engines.

West Germany's MBB makes the center fuselage,

while the Dutch handle the cockpit and

final assembly at Schiphol.

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water conditions in Iceland is different from that used by Aramco in Saudi Arabia.

"We are loaded with work," a Fokker official said. In the design office, work is under way on improving the F-28 for its onslaught on the U.S. market—better engine performance, newly designed wing, stretched fuselage taking up to 110 passengers and lower noise.

Firm's Structure

The Dutch-West German link is a complicated one from the point of view of company structure for it grew out of the Fokker, Focke-Wulf, Weserflug and Heinkel firms.

Fokker itself dates back to 1919 and the founding of the Netherlands Aircraft Manufacturing Co. Fokker by Anthony Fokker, who had won fame as a plane builder during World War I. The Fokker plant was destroyed during World War II and postwar fortunes were based on the F-27. Licensed production of military aircraft such as the Meteor, the Hunter and the Starfighter gained Fokker international contacts. (For example, Fokker makes center wing sections for Bréguet's Atlantic maritime patrol aircraft and Bréguet makes part of the center fuselage of the F-27.)

Fokker's main cooperation had been with West Germany's Vereinigte Flugtechnische Werke, of Bremen, on the F-104G program and the 1969 partnership was a logical outcome.

N. V. Koninklijke Nederlandse Vliegtuigenfabriek Fokker and VFW-Verwaltungsgesellschaft are now the holding companies of the Fokker plant, at Dordrecht, Papendrecht, Ypenburg and Hoogeveen, are working along with the main Schiphol plant on parts of the European Airbus.

There are various military programs, light aircraft, systems engineering and small satellites. But Fokker's main business is short-haul aircraft. "We think we are the specialists and that there is a worldwide market for 4,000 of these planes," an official said.

The company also offers flexibility in design, adapting its craft to needs of the country where the plane will be used. F-27s and F-28s for Aero Peru or the Peruvian Air Force are a good deal sturdier than those flying in Europe. The F-27 flying in salt-

It has signed a "spare parts in 24 hours" agreement with Buller Aviation, a large maintenance company, and has opened a Fokker VFW International sales office in Arlington, Va., covering the United States, Canada and Mexico. Both jets have Rolls Royce-made engines and are low on noise, an essential factor in feeder and regional services. The F-28's Spey engines have mufflers while the new Mk 555/15H engine will make the plane quieter still.

A successful aircraft manufacturer needs more than 16 sales of one plane and 110 of another. The "meal ticket" of the Fokker plants in the Netherlands remains the remarkable F-27, the rugged turboprop airliner popular in the Third World and other countries with difficult terrain.

About 650 F-27s have been sold to 139 airlines in 54 countries. After nearly 20 years of uninterrupted production, the Amsterdam assembly flow was stepped up in 1974 to keep pace with continuing worldwide demand.

Twenty-four are now coming out of the Schiphol plant each year. The F-27 operates over short and medium routes and during its 10 million flight-hours it has played an important role in establishing domestic air transport networks in many countries. The new stretched version carries 56 passengers and the plane can be adapted to practically any role (the latest is a new maritime version).

Garuda, the Indonesian airline, operates close to 50 F-27s and 18 F-28s serving the Indonesian archipelago, and 50 F-27s operate in Australia.

The plane is almost in the legendary Dakota class and market studies say sales may climb to around 1,000. Only once did the Fokker management have some doubts about their "workhorse." Production in 1972 was down to six a year, but the oil crisis brought it right back into vogue and at \$2 million it is considered a bargain. "The government aided its development and has made a lot of money on it," a Fokker man said.

The Dutch and West German partners are engaged in other aerospace activities. Four smaller Fokker plants, at Dordrecht, Papendrecht, Ypenburg and Hoogeveen, are working along with the main Schiphol plant on parts of the European Airbus.

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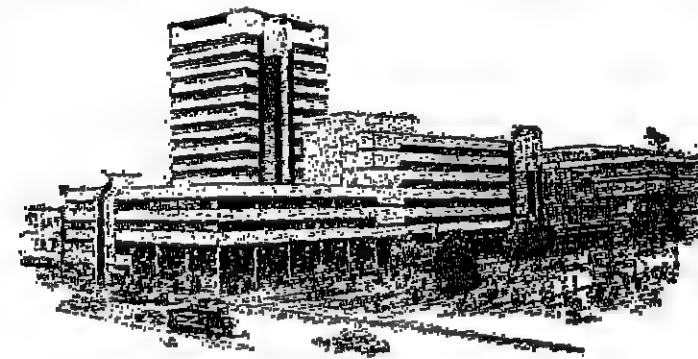
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Consolidated balance sheet, combined with Ned. Middenstands Spaarbank (NMS) - Savingsbank

Assets	December 31 1975 Dutch guilders	December 31 1974 Dutch guilders	Liabilities	December 31 1975 Dutch guilders	December 31 1974 Dutch guilders
Cash, etc.	4,552,948,000	2,893,837,000	Capital and reserves	436,454,000	358,886,000
Treasury bills, etc.	2,233,844,000	1,748,720,000	Subordinated loans	168,493,000	127,365,000
Investments	802,906,000	772,148,000	Liabe capital NMB	604,947,000	484,351,000
Loans and discounts, etc.	9,587,183,000	7,700,202,000	Capital and reserve NMS	24,903,000	21,273,000
Real property	433,238,000	415,875,000	Debtenture loans and notes	170,000,000	120,000,000
			Borrowings	198,144,000	205,198,000
			Deposits, savings, etc.	18,613,605,000	12,698,858,000
	17,809,399,000	13,530,680,000		17,608,899,000	13,530,680,000

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The Small Nation's Multinational Giant

EINDHOVEN (HET).—Last year's world recession hit hard at the giant Dutch multinational such as Philips' Gloelampenfabrieken, where profits dived from 734 million florins to 384 million, but the signs now are that the company's operations in 84 countries will pick up this year. Philips executives expect a "slight" recovery in profits in 1976. The prediction was echoed by Akzo, the Dutch chemical group, which took the heaviest beating.

In this company city caution remains the watchword after the buffeting of last year, when a whole range of factors, including higher costs, increased competition, price-control measures in several countries, under-utilization of capacity and computer losses bore out Philips' earlier warning that 1975 would be a difficult year.

The company's situation began to change for the better in the last quarter of last year, and this trend has been continued this year with sales on target. In addition, overly high stock levels are being reduced, as is the world work force, now trimmed from 411,800 to 397,000.

Members of the management board traveled recently to European capitals to present their forecasts for this year, and the picture they gave was brighter. The volume of sales is expected to rise 7 per cent compared with last year's rise of 2 per cent, and executives ticked off a number of encouraging factors.

In a company whose consumer-product sales amounted to almost half of total sales of 27 billion florins, with more than half of this contributed by the video-audio sector, there are great hopes that the Montreal Olympics will boost buying in the important color television market.

A Brighter Picture

Growth was zero last year, but the expectation is for a 13-per cent increase worldwide during the year. The company does not think the Olympics will match the boom in color TV created by the 1974 world soccer championship, but the rise in purchases in the United States will be 33 per cent, according to estimates.

The games plus the replace-



Hendrik van Riemsdijk, President of Philips.

ment factor should raise the U.S. color TV total from its present depressed figure of 6.5 million sets—17 per cent down on the 1974 figure and well below that of 9.3 million sets in 1973—to some 8 million. The West European "perk," now close to 7 million, will probably rise later, given the average ten-year life of sets.

Color-TV Markets

The fortunes of the Eindhoven multinational, however, ride not only on sport. Reduction in value-added tax rates in Britain will help sales. New markets for color TV are strong in Italy and Spain and are being developed in Australia, Brazil, New Zealand and South Africa. Magnavox, one of Philips' two major acquisitions in the United States, is showing a profit and it is hoped profits will be realized by the end of the year by Signetics Corp. of California, a specialist in integrated circuits acquired last year by U.S. Philips Trust. The whole professional-equipment side of the company, which showed strength last year, is confidently expected to continue its improvement.

The drain caused by the ill-fated Unidata computer link with France's CII and West Germany's Siemens has ended with that consortium's breakup following adoption of a new French government computer policy, and Philips will no longer be involved in general-purpose medium and

large computers. The loss last year was 150 million florins for Philips and brought to a billion florins the total thrown away in this division.

A company which sells light bulbs, TV sets, record players, shavers, coffee makers, sophisticated telecommunications and defense, scientific and medical systems obviously relies heavily on research, but investment in it will remain the same this year, in line with a policy of caution. The company is also digesting its half-million florins worth of U.S. acquisitions.

There is an ace up its sleeve, however. Over the horizon next year will come the U.S. launching of the Philips video disc, which when played on a special turntable will provide personal-choice color TV as well as a whole range of information-storage possibilities. Philips has an acknowledged world lead in this technology, and if the price of the player can be kept low enough, then the video disc could transform the Dutch company's world sales.

For the moment, overall production of the company's main lines will not increase as much as sales. The company states, "The total number of employees will therefore have to be further reduced in 1976, which we shall endeavor to achieve by not fully replacing employees who leave our service. In some countries and sectors we shall continue, by

means of temporary short working to bring production line with sales possibilities. The course of the year, however, short-time working could be fully diminished." This cutback affected 70,000 workers in European plants last year.

World Ownership

In the course of their executives gave some insight into the worldwide nature of company. Dutch ownership shares slipped slightly last from 55 per cent to 54 per cent. Eighteen per cent of shares now held in Switzerland 10 per cent in West Germany (an increase from 7 per cent), 7 per cent in France, 5 per cent in the United States, 5 per cent in Belgium, Luxembourg and Austria and 1 per cent in Britain.

They also stated that sales were higher in the United States but that employees there work 2,000 hours a year compared with 1,500 hours in Holland, and the Netherlands—below the U.S. rate Dutch average—5 per cent in the United Kingdom and mere 2 per cent in the U.S. States.

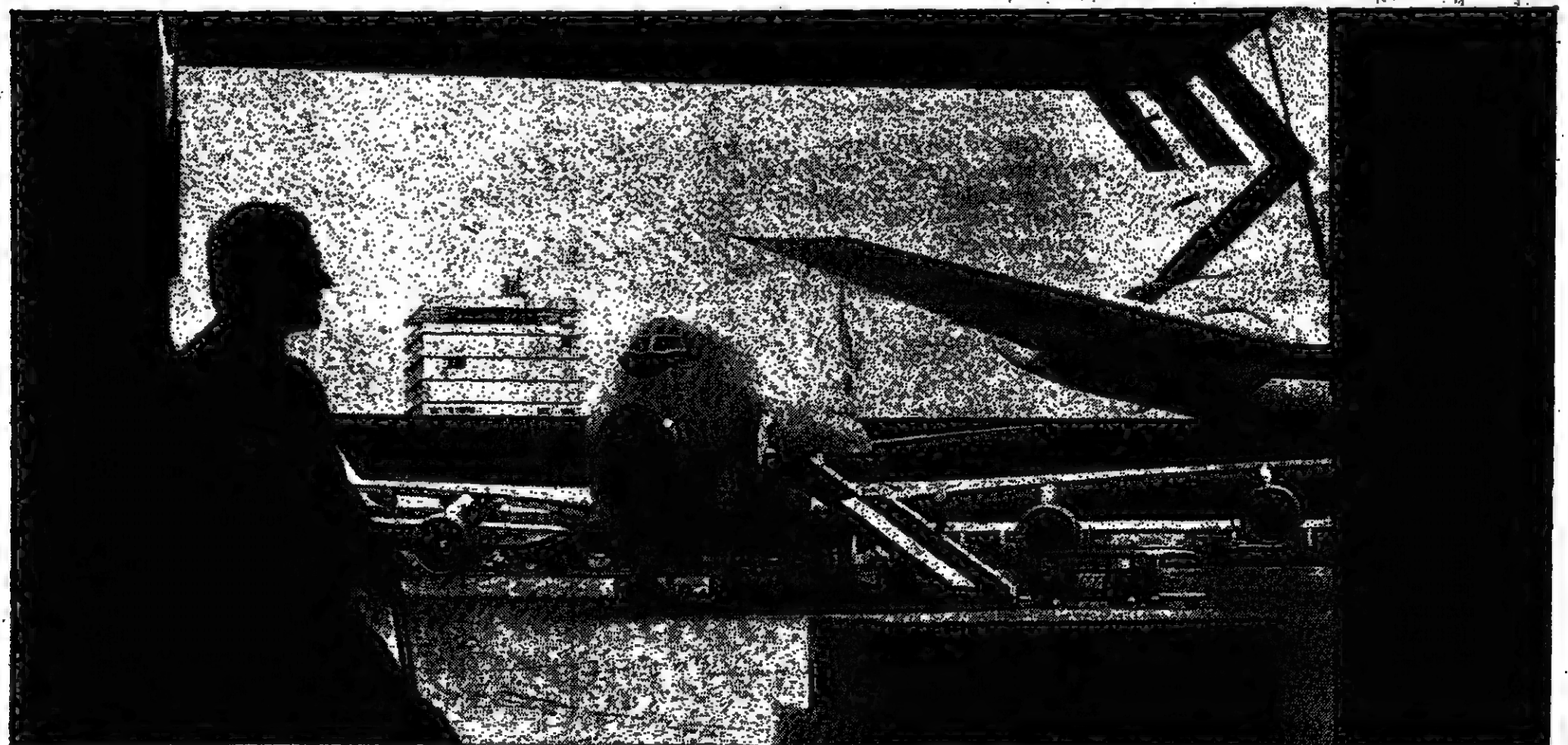
Although the Netherlands provides only 11 per cent of turnover, the company, along with other major Dutch firms, is pressuring the government for policy changes leading to free profitability. Philips' president Hendrik van Riemsdijk, et al. in an open letter to the government signed by eight other company heads:

"If we do not succeed in achieving a long-term improvement in corporate earnings, in creating new export opportunities and a result, in effectively combating structural unemployment, the sequences will be grave."

Philips and the others went to suggest major cuts in tax, social-security contributions, the cost of national and government services. They urged a radical improvement in the business climate "by means of a constructive approach to Dutch business community and avoiding policies and risks which might sap confidence home and abroad in the prospect offered by the Netherlands," by means of greater consultation among government, employers and employees.

SCHIPHOL AIRPORT AMSTERDAM

the intercontinental and European distribution center for world **AIRFREIGHT** transport



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Extensive warehousing services... warehouse space for bulkbreaking (shippers can take advantage of low long-haul rates by shipping in bulk across the Pacific and Atlantic and distributing throughout Europe from Schiphol Airport), inventory control, order picking, packing and forwarding - all at Europe's lowest warehousing costs! And Dutch Customs Authorities have co-operated to

make Dutch customs formalities the simplest in Europe!

FAST FOLLOW-THROUGH needs effective, fluent connections and Schiphol couldn't be better for that. Consider its ideal situation within 40 miles of two major seaports and right on top of first-class road connections to the Continent's vital commercial and industrial areas. Consider, too, the

extent of its direct scheduled air links—with 150 cities in 80 countries.

Add to that the many specialist air-freight chartering firms, forwarding agents, international road transport groups and warehousing companies, which offer services at the airport ranging from repacking to door-to-door deliveries.

And you see an airport keenly prepared for the predicted growth of cheaper air-freight—estimated to reach six times the present volume in 10 years, but restricted to a handful of the world's best-equipped airports. Schiphol, the very gateway to Europe, intends to remain one of them.



These Schiphol forwarders can give you all further details.



هكذا من الأهل



Amsterdam a Capital of Commerce and Industry as Well as Tourism

DAM (IST)—It can be granted that most have been to Amsterdam. The Rijkswijk, seen in the Stedelijk, the Anne Frank of course, taken a trip magnificent canal, visit attractions should be the fact that Amsterdam is also a thriving industrial center.

Amsterdam, a commercial city, had its origins as a shipbuilding center. The shipyards were built, ships were made, and the ships made by Amsterdammers were known the world over for their quality. When Dutch vessels sailed the oceans to bring cargoes of overseas goods to the home port, it was not that the ships which processed these goods.

Ready-to-Wear

Amsterdam has always been a center of the ready-to-wear industry, which together with the textile industry, has made Amsterdam a world center. Although a few years ago, numerous car workshops have been established in the provinces, the industry in Amsterdam is still in a modern building, named Centrum (Ready-to-wear).

Amsterdam is also an extensive industry with giant companies as Mobil Refinery, Europe and Refinery, and chemical industry with like Amsterdamsche Chemie and Oerlemolen. The breweries of Heineken are well known and make the Netherlands the world's largest beer-exporting country. Amsterdam's long history. The stock exchange can claim to be the oldest in the world. The formation of the Amsterdam Exchange was established in 1553 as a major force in banking. The major banks are all represented in Amsterdam, as are most other financial institutions. The foreign community is steadily increasing. Besides the obvious, such as First National Bank, British, German, and American banks, there are many others. One of the great advantages Amsterdam offers over other financial centers is the reputation enjoyed by the city for fair dealing. The city of modern international payments lie in Amsterdam, which is also known as a place where acceptance is applied on a large scale. In addition to all this, Amsterdam has developed into a high finance since numerous prominent bankers began to specialize in the emission of foreign loans, a field in which they have managed to acquire international fame.



Amsterdam's Historical Museum.

East India Company

Amsterdam is, furthermore, the town where dealing in stocks reached great heights following the establishment of the United East India Company in 1602. On the occasion of its foundation, Amsterdam's citizens were given the opportunity of signing the stock registers of the company and of having a share in the vicissitudes of the enterprise. Although the inscriptions—known as *actien*—were made in the name of a specified person, a lively trade in these *actien* soon developed, and they may be considered the forerunners of modern shares. The trade in *actien* laid the basis for the modern dealings in stocks. That is why the Amsterdam stock exchange claims to be the oldest in the world. It is pre-eminently a national and international center of monetary and capital transactions, for which the headquarters is the Netherlands Bank, which supervises Netherlands monetary and capital transactions.

In addition to an active foreign-exchange market, there is an extensive international capital market, the center of which can be found in the Amsterdam Stock Exchange. More foreign stocks (more than 500) are quoted here than on any other exchange in the world. Amsterdam can claim to be the largest exchange for U.S. securities. Moreover, it is the home exchange for such leading Dutch companies as Royal Dutch Shell, Philips and Unilever, which daily provide occasion for international arbitrage transactions. On the list of international financial centers, Amsterdam occupies an honorable place after New York, London and Zurich, which contribute to the fact that the Netherlands can hold its own in the limited number of countries which determine the development of international trade and transfer of payments.

Since the 17th century, many things have altered as a result of technical, economical and political changes throughout the world. Amsterdam lost its unique position. But the long rows of lovely, merchants' mansions, which perpetuate the memory of the Golden Age, are more than mere historical monuments. For with the same formula of experience and many-sidedness, openness and creativity which characterized the city in the past, Amsterdam is today an ideally situated and well-equipped center of world trade.

In the past, the port of Amsterdam was mainly a staple port, where goods were stored in private or public warehouses. Although these functions have not disappeared, the improved connections with the hinterland, notably the Ruhr region, have helped the city to develop into a transit port for bulk cargo such as ore, coal, cereals, timber and oil. In addition, its significance as an industrial port has rapidly increased in the last few years.

Some elements of this old staple market continue to survive in the growing distribution function of the port and in the numerous international trade fairs which are held in the new exhibition and congress center.

Warehousing firms and business houses are as internationally oriented as they were in the past. That Amsterdam is an ideal place of establishment within the Common Market is confirmed by the presence of many foreign firms.

Wholesale Firms

The city is the main wholesale center of the Netherlands. The majority of large commercial firms, agents, combined buying groups, advertising agencies, etc.,

have their offices here. Commerce is hard to measure in all its diversity of sales offices, commission business and transit trade. But the extensive registers of the Chamber of Commerce give an indication of the city's prime importance, as well as of the fact that more than 48,000 people—that is, 13 per cent of Amsterdam's active population—are employed in wholesale trade, and that the wholesalers' contribution to the city's prosperity is proportionately greater still.

The goods for which Amsterdam is an important national, and often international, commercial center include diamonds, tropical products such as coffee, cocoa and tobacco, textile raw materials and ready-to-wear clothing. Amsterdam is, moreover, the principal retail trade center of the Netherlands, the city of the big department stores and innumerable specialized shops, such as antique dealers and jewelers, dealers in exotic birds and fashion boutiques. The wide choice which the visitor finds enhances the city's attraction for tourists. The Kalverstraat, with its attractive rows of modern shops, is sometimes called "the shopping street of Europe."

It is perhaps as a tourist center that Amsterdam is known best. "Surprising Amsterdam" is among the more accurate tourist-office slogans. Among other things, the absorption of the exotic Oriental culture of the East Indies into something so essentially northern is what lends Amsterdam a flavor quite its own. There are, of course, the floating barges of the Flower Market and the numerous antique and art dealers' shops selling bric-a-brac and curiosities from all over the world, particularly from the Far East.

Everybody Welcome

And there are other oddities. Plastered on the side of the Stock Exchange just down the street from the central Dam square, a meeting place for international diplomats which is dominated by the Royal Palace, there was recently a rather striking notice advertising the student hotel. The text ran as follows: "You are welcome, whether you come from Angola or Portugal, France or England, Egypt or Israel, North or South Vietnam, and even from Belgium. We don't care if you are a queer, a Negro, another American, a Gypsy, a racist, a Roman Catholic or a baby, as we are flexible, because we are Dutchmen."

Amsterdam is known in the first place for its city center, enclosed by a crescent of 17th-century canals lined with stately mansions. This network of canals interlaces 90 islands, connected by several hundreds of bridges. The city counts a total of 100 canals and 1,000 bridges. It also has some of the Continent's most lively squares, such as Leidseplein and Rembrandtplein. Equally popular are the city's 40 museums, especially the famous Rijksmuseum, which attracts some 1,200,000 visitors a year. It has a collection of about a million art objects, including 5,000 paintings, as well as a complete collection of Rembrandt etchings.

Tourist City

As a tourist center, Amsterdam occupies the fourth place, after London, Paris and Rome. From here travelers make excursions to such well-known Dutch sightseeing spots as the bulb fields, Marken, Volendam, the Zeydervosce reclamation works and the delta works. Norwegian and Swedish shipping companies have built a ferry terminal for motorized tourists in the port of Amsterdam. The number of visitors increases from year to year and will grow even faster.

Since 1945, Schiphol International



The Royal Palace on the Dam square with the Nieuwe Kerk at right.

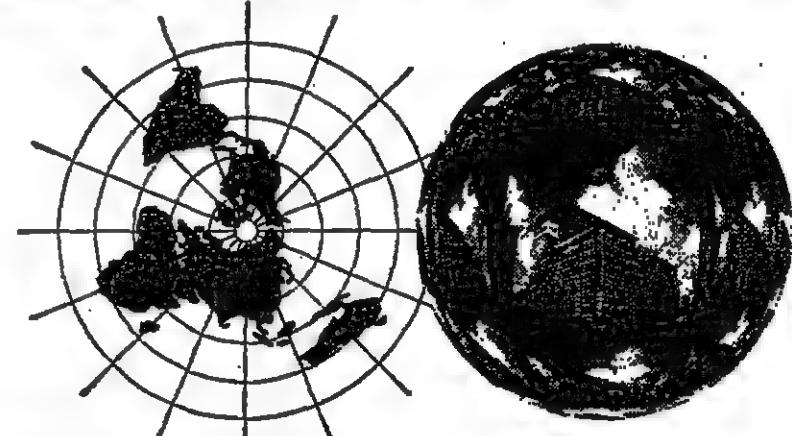
al Airport has developed as one of the major airports in Western Europe. In 1975 an entirely new airport was put into operation. Because of its favorable location in Europe, Schiphol is assuming an increasingly prominent role in

air freight traffic. The Amsterdam airport already occupies the fourth place in Europe, after London, Frankfurt and Paris. In 1974, almost 251 million kilograms of freight were handled at Schiphol. In the rapidly growing

field of passenger transport, the airport holds its own. With its present figure of 8 million passengers a year, Schiphol ranks seventh on the list of European airports.

"Amsterdam—Gateway to Europe" is a slogan being successfully promoted in the United States, Canada and Japan, and hundreds of thousands of tourists cherish happy memories of European holidays which started or ended in Amsterdam.

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RABOMERICA INTERNATIONAL BANK N.V.

Balance sheet as per 31st December

Assets	1975	1974
Cash	23,584,085	8,908,339
Securities	15,126,303	2,229,277
Banks	142,108,793	18,018,404
Loans and Discounts	220,597,971	45,445,832
	401,417,152	74,601,852
Capital and Liabilities		
Share Capital issued 60,000,000		
unpaid 30,000,000	30,000,000	30,000,000
Reserves	1,483,163	225,955
Deposits	317,033,687	38,047,650
Other Liabilities	52,900,302	6,328,247
	401,417,152	74,601,852

Profit and Loss Account

	1975	1974*)
Total income	6,002,252	2,423,210
Staff expenses	1,973,691	718,327
General expenses	1,095,556	1,102,305
Reserve	600,000	200,000
Total expenses	3,669,247	2,020,632
Profit before taxes	2,333,005	402,578
taxes	1,075,797	176,623
net profit	1,257,208	225,955

*) 9 months

A joint venture of Coöperatieve Centrale Raiffeisen Boerenleenbank g.a. (Centrale Rabobank), Utrecht and Bank of America NT & SA, San Francisco.

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Rotterdam Dutch Are Models of Efficiency in Running a City and Po

By Alan Tillier

ROTTERDAM (IHT).—Rotterdam has proved itself to be probably the most dynamic city in Europe, and confidence in the future is virtually a trademark of the efficient city government and the entrepreneurs who direct the activities of the great port.

Rotterdam—the oil port for the Netherlands, the Ruhr and all of northwestern Europe—has shaken off the effects of the oil embargo of two years ago and the drop in demand for refined oil. It remains the busiest seaport in the world, and it is attracting new industries to its 28-mile-long Europort, which extends from the city to the North Sea.

The city may ask the Dutch government for money for development, but not because Rotterdam is anywhere near bankruptcy. A senior port official became indignant at the mere suggestion, stating: "We've got all the money we want."

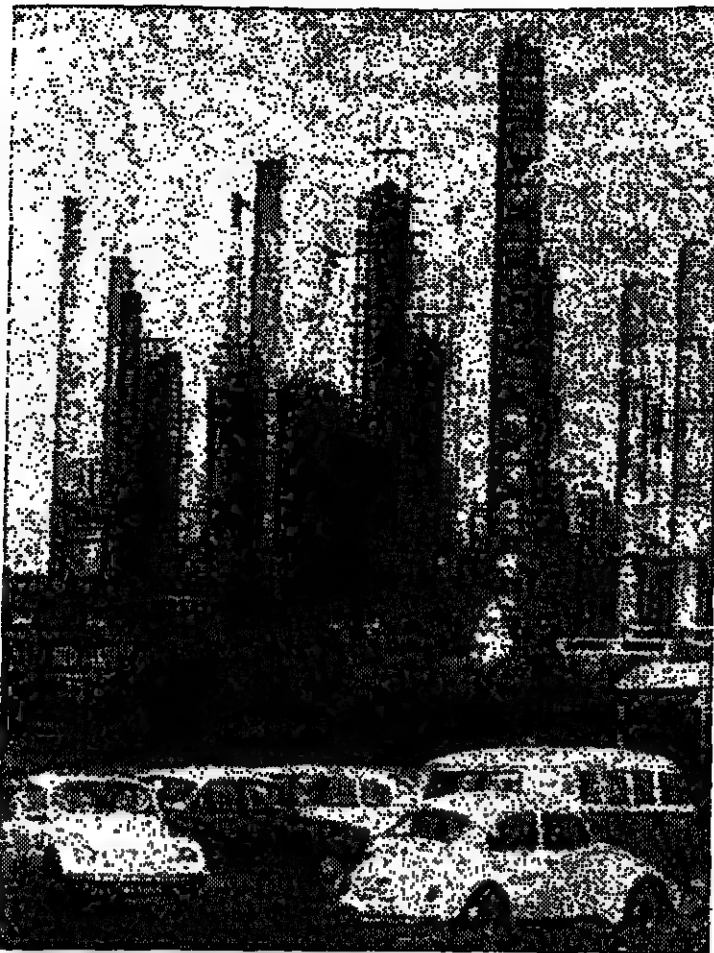
But at the city hall, Alderman Henk van den Pols, who is in charge of the port's day-to-day affairs and its economic development, took a more moderate tone in explaining: "Port infrastructure elsewhere in Europe is paid by governments, so there is no reason why our government should not do the same. Dunkirk, Le Havre, Saint-Nazaire, the West German, Belgian and British ports—they are all getting state aid of some sort."

Self-Financing

"Up to now, we have been self-financing, operating as Holland's fifth major international concern. We have put 3 billion guilders into development and the profit for the local budget has been nil. Corporate taxes of port users go to the government. In all, Rotterdam earns 12 to 14 per cent of the national income while only 7 to 8 per cent is spent here. Our annual investment rate is some 150 to 200 million guilders and it is no longer possible to do it all alone."

There is tough talk now between Rotterdam and the national purse-keepers in The Hague. The city wants some assistance on the \$75-million cost of deepening the entrance to the port, but it wants a free hand in the realignment of charges.

The cost of deepening the



A forest of chimneys at Rotterdam's Shell refinery.

channel from 68 to 73 feet four years ago was recuperated by a surcharge on tankers. "We still want freedom to recuperate costs our way, probably through another surcharge," a port official said. "The government may say, however, that they want charges raised across the board."

Rotterdamers naturally think their way is the best, and they point to statistics as proof. The port handled 279 million tons last year, 4.5 per cent below the figure for 1974. Other ports lost 10 to 20 per cent of their volume. About 134 million tons was in oil brought here for the five major refineries processing 66 million tons of crude a year.

Pipelines carrying crude, liquid semi-finished products and in-

dustrial gases reach out to Amsterdam, Antwerp and deep into the heart of West Germany. An oil terminal is being built at Massvake at the mouth of the Rhine, a new area reclaimed beyond the original coastline. Sixteen huge oil storage tanks have already been built. "The new terminal shows the confidence in Rotterdam by companies such as Esso, Shell, Mobil, Total and Pakhoed," Alderman van den Pols said.

The port also handles vast amounts of grain and ores and possesses Europe's biggest container port.

One cloud concerns the size of tankers of the future. The channel to the Europort is now

68 feet deep and the city wants to go to 73 feet for tankers in the 300,000 to 350,000-ton class. Above that, trade will go elsewhere—to Bantry Bay in Ireland or Le Havre. Rotterdam is not worried about being put out of business. The Irish do not have the refining capacity while the French do not have the pipelines and other infrastructure needed by a major oil port.

The city government here wants to discuss the size of tankers with the oil companies. It does not believe in an era of half-million-ton tankers, although a couple do exist. If bigger tankers are built, Rotterdam would like them to have restricted draft.

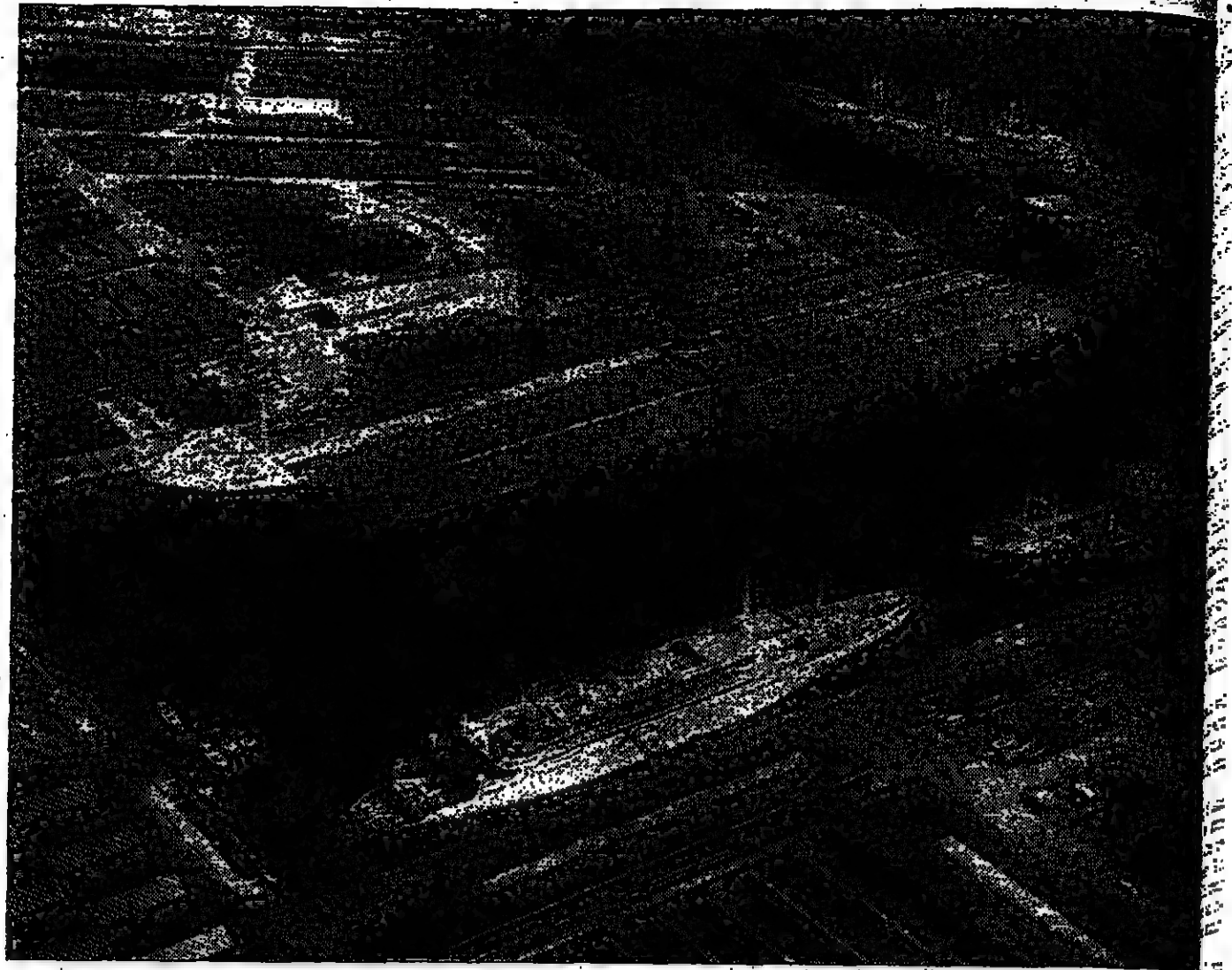
Meanwhile, the configuration of the port has been changing. Rotterdam, the business center, is now paying more attention to the quality of life. The port is moving down the river toward the sea and there is a plan for the world's first offshore industrial island, 10 kilometers wide and five long, situated 30 miles off the Hook of Holland. The industrial drift westward has created the opportunity to revive the city center and bring dwellings back to the waterfront.

Postwar construction had centered on cross-city highways that are 6 to 10 lanes wide. Fine office blocks and stores were built downtown, but few houses. The industrial boom raised pollution and people moved out from the city by the thousands. Renovation of the city center became not only an environmental but an economic necessity, for state grants depend on the size of the population.

Pilot Areas

Two sites on the south bank have been chosen as pilot areas. At one, 600 to 700 houses are being built. A new park is being laid out across from the city's principal park while the main Coolings artery through the center of the city is being narrowed by twin lines of trees. The policy is to recapture some of the prewar life of the city center as it existed before the large-scale destruction by the Luftwaffe. About 100,000 people lived in the heart of the city then and café life resembled parts of today's Amsterdam.

Plans at the city hall want to put more traffic underground,



Shipping and shipbuilding in Rotterdam.

opening up squares for pedestrian use only—like the Lijnbaan shopping area. Two thousand houses would bring 5,000 Rotterdamers back into the city. Owners of old property in the center are being offered 120 per cent of market value by the municipality, which will modernize interiors after acquiring the holdings.

Under this program for beautifying Rotterdam, citizens are being given the opportunity of buying a tree for \$10 and having it planted.

One of the politicians running Rotterdam commented half seriously: "We need to maintain business activity to pay for all these trees."

This means diversification. A major steel project is under discussion with the government. Unilever is going ahead with a soybean extraction plant. A West German consortium is seeking final approval for a plant for processing different ores into pellets. And the city has taken the first step toward a world trade

center by deciding to streamline information services for port users. The big edifice for the center will come later.

Forward thinking also envisions a new container port facilities for importing liquefied gas when Dutch reserves run down, a switch in local shipyards from supertankers to liquefied-natural-gas tankers.

Rotterdam has the skilled manpower to effect these changes. No one was laid off during the recession, and labor relations are

good. There have been strikes since the war, but they are making an average of \$11,000 a year.

A new radar system developed for the port. It will resemble a computer picking up the tens of thousands and hundreds of barges passing through Rotterdam canals. Rotterdam canals are future with such assets it is going to have a very



Rembrandt country is Rabobank country.

This etching of Rembrandt van Rijn (1606-1669) is typical of one of the aspects of the artist's life: Rembrandt never travelled farther than 60 miles from Amsterdam, and yet he created art with a worldwide appeal. Along the banks of the Amstel River, he sketched the tiny hamlets and sturdy windmills that still dot Holland's flat countryside.

Centrale Rabobank is very much at home in Holland. With its traditional agricultural background, Centrale Rabobank heads a cooperative banking group with well over 3100 offices and a balance sheet total of 462 billion hard Dutch guilders (about US \$ 17 billion). This makes Rabobank not just one of the largest banks in Holland, but also the bank with deep roots in almost all sectors of Dutch economic life. We are now ready to expand worldwide with a full range of commercial and investment banking services. And we like to do it in the good Dutch tradition of solidity, with an eye for detail and imagination.

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Selling California Land Is Probed for Fraud

By Al Delugach

GELES, April 25.—The curtain—a cloak of secrecy that offshores afford to many Americans—has been pulled back to reveal a desert land promotion as a tax haven in the hands of a trust company.

The ICLR's affairs here have been "serviced" by a U.S. company, Central Pacific and Associates Inc., Beverly Hills. Investigators have been unable to contact any officers in Central Pacific and Associates, whose two chief executives are listed as James Farrara and James McGowan.

Recently, a man who identified himself to reporters as McGowan acknowledged that he was an "adviser" to ICLR. Asked about the foreign sales of raw desert land, he said:

"Nobody is stealing anything. The people all come over and see the land—98 per cent of them (before buying it)."

Mr. McGowan offered this explanation of the popularity of the investments:

"Everyone is trying to get a piece of the United States and California. They are trying to get their money out of their own countries and get it over here."

© Los Angeles Times.



'I Want 'Em All Back—My House, Furniture, Car, TV Set, Banjo...'

Eurobonds

(Continued from Page 23)

yield, of course, will be a quarter point higher than normal CD rates.

Canadian-dollar Eurobonds have continued to weaken because of profit-taking on the advance of the Canadian dollar and worries that the spot exchange rate might move even lower.

In addition, some dealers say that Eurocanadian-dollar bonds are finally moving into a better alignment with the domestic Canadian bond market, where yields have been higher.

On the offer side, the yield worked out to 10.12 per cent.

In the Eurobond sector, a 300-million-mark, seven-year note issue of the World Bank is expected to be offered at 99.5 bearing 7.5 per cent to yield 7.59 per cent.

Technically, the offering is a domestic issue, which qualifies for purchase by German pension funds and other institutions. However, there is no withholding tax on interest payments so that it can be sold internationally as well.

Also on offer is a 60-million-mark, seven-year note issue of the European Resettlement Fund. The

syndicate manager has indicated that the coupon rate will be 7.75 per cent when the issue was offered on Wednesday.

After the Norwegian government was able to successfully float a 100-million-mark, five-year issue at 100.5 bearing 7 per cent to yield 6.88 per cent, a new low in the present interest rate cycle, there was talk that Norges Kommunalbank may take the same route with a 100-million-mark, five-year offering bearing 7 per cent.

Market Volume

April 23 April 16
Credel \$414.3 mil. \$348.3 mil.
Euroclear \$489.1 mil. \$635.9 mil.

U.S. Economy Speeding Up Welsh Unions Bar U.K. Plan Putting 3% Limit on Pay Rise

(Continued from Page 23)

April 1974, wanted to be certain that the economic comeback was not illusory.

Solid Recovery

Now, apparently, many retailers and manufacturers seem to be convinced that the recovery is solid and likely to be sustained for perhaps another year or more. They have been impressed by the sustained strength of auto and other retail sales, and they have been able to improve their own financial picture by reducing short-term debt and improving their liquidity. Now they may be disposed to greater inventory investment and stepped-up capital spending.

The general robustness of corporate profits in recent quarters has been a major factor in the improvement of corporate financial positions.

Early returns of first-quarter earnings indicate one of the strongest year-to-year gains in some time. The results reflect the economic upturn to some extent, but they also are benefiting from the fact that a comparison is being made with the period a year ago when the recession was at its worst.

Japan Digital Watches

TOKYO, April 25 (AP-DJ).—The Japan Watch and Clock Inspection Institute reports that Japanese production of crystal oscillation-type digital watches is expected to total 7.5 million units during 1976, up sharply from 2.4 million units in 1975.

LONDON, April 25 (Reuters).—Welsh trade unionists yesterday rejected by an overwhelming majority the British Labor government's proposal for a 3-per-cent limit on wage rises this year in return for tax concessions.

On a show of hands, all but a few of the 320 delegates at the Welsh Trades Union Congress meeting in Llandudno voted for a resolution opposing the offer and claiming the government had failed to reduce unemployment, control prices and promote economic growth in Wales.

National leaders of the Trades Union Congress in London are believed to be close to a compromise wage agreement with the government aimed at combating inflation and strengthening the pound sterling. The Welsh stand is not expected to block a national agreement.

Last week, the Scottish Trades Union Congress also turned down the government proposal.

Nationalist Feelings

The Welsh and Scottish votes were partly an expression of nationalist feelings in the two regions, which feel neglected by centralized British economic planning.

The main British trades union chiefs have pledged to find a compromise agreement close to the government's proposal, although they feel that 3 per cent is too low. Union leaders have called for a 5-per-cent limit.

The national Trades Union Congress secretary, Len Murray, has predicted that an anti-inflation deal will be hammered out

to follow last year's agreement, under which British workers were held to a flat-rate wage rise of 16 a week.

The chancellor of the Exchequer, Denis Healey, yesterday said that a 5-per-cent rise would be too high, because "this would mean a much bigger increase in earnings and it is earnings that decide how much prices go up."

Speaking on radio, he said: "We must get our prices down to the international level by the end of next year, and I don't think we can guarantee that unless we have a pay limit in the area of 3 per cent."

But he made it clear there could be some flexibility concerning the 3-per-cent limit, depending on how the pay policy is finally structured.

Prime Minister James Callaghan today urged the trade unions to accept the government's offer.

He told a gathering of trade unionists in Blackpool: "From the response we have had, it is certain that the government and the trade unions will succeed in reaching a new agreement that will enable us to take another giant stride to overcome inflation and safeguard jobs."

U.K. Ford Lifts Prices

LONDON, April 25 (AP-DJ).—Ford Motor Co. of Britain has raised the prices of its cars sold in Britain an average of 4.7 per cent, effective last week. The increase was the second this year by the British unit of Ford Motor Co.

All of these Securities have been sold. This announcement appears as a matter of record only.

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(Canadian)

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BANQUE DE L'INDOCHINE ET DE SUEZ

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CITICORP INTERNATIONAL BANK

CONTINENTAL ILLINOIS CREDIT COMMERCIAL DE FRANCE

CREDIT INDUSTRIEL ET COMMERCIAL

CREDIT SUISSE WHITE WELD

RICHARD DAUS & CO. BANKIERS

DEN NORSE CREDITBANK

DEWAAT & ASSOCIES INTERNATIONAL S.C.S.

EUROTRADING

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GREENSHIELDS

ISTITUTO BANCARIO SAN PAOLO DI TORINO

KIDDER, PEABODY INTERNATIONAL

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LAZARD FRERES ET CIE

MANUFACTURERS HANOVER

MERRILL LYNCH INTERNATIONAL & CO.

MORGAN GRENFELL & CO.

THE NIKKO SECURITIES CO. (EUROPE) LTD.

ORION BANK

PIERSON, HELDRING & PIERSON N.Y.

PIERSON

ROWE & PITMAN

SCHWEIZERISCHE HYPOTHEKEN- UND HANDELSBANK

SKANDINAVISKA ENSKILDA BANKEN

SOCIETA FINANZIARIA ASSICURATIVA (SOFIAS) (R.A.S. GROUP)

STRAUSS, TURNBULL & CO.

TRADITION SECURITIES

UNITED OVERSEAS BANK S.A. GENEVA

M. M. WARBURG-BRINCKMANN, WIRTZ & CO.

WESTDEUTSCHE LANDESBANK

GIROCENTRALE

April 26, 1976.

DOMINION SECURITIES CORPORATION HARRIS & PARTNERS LIMITED

AMSTERDAM-ROTTERDAM BANK N.V.

BANCA COMMERCIALE ITALIANA

BANCA DELLA SVIZZERA ITALIANA

BANK GUTZWILLER, KURZ, BUNGENER (OVERSEAS)

BANKERS TRUST INTERNATIONAL

BANQUE BRUXELLES LAMBERT S.A.

BANQUE GENERALE DU LUXEMBOURG S.A.

BANQUE INTERNATIONALE A LUXEMBOURG S.A.

BANQUE NATIONALE DE PARIS

BANQUE DE PARIS ET DES PAYS-BAS

BANQUE ROTHSCHILD

BANQUE DE L'UNION EUROPEENNE

H. ALBERT DE BARY & CO. N.Y.

BAYERISCHE VEREINSBANK

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CREDITO ITALIANO

DEN DANSKE BANK

DEUTSCHE GIROCENTRALE

DEUTSCHE KOMMUNALBANK

EUROPEAN BANKING COMPANY

ROBERT FLEMING & CO.

GOLDMAN SACHS INTERNATIONAL CORP.

IBJ INTERNATIONAL

JARDINE FLEMING & COMPANY

KREDITBANK N.Y.

KUWAIT INVESTMENT COMPANY (S.A.K.)

LAZARD BROTHERS & CO.

LONDON MULTINATIONAL BANK (UNDERWRITERS)

MERCK, FINCK & CO.

SAMUEL MONTAGU & CO.

NEUBANK

SAL. OPPENHEIM JR. & CIE.

PICTET INTERNATIONAL

PITFIELD, MACKAY, ROSS & COMPANY

N. M. ROTHSCHILD & SONS

J. HENRY SCHRODER WAGG & CO.

SINGER & FRIEDLANDER

SMITH BARNET, HARRIS UPHAM & CO.

SOCIETE GENERALE

SOCIETE GENERALE DE BANQUE S.A.

SWISS BANK CORPORATION (OVERSEAS)

UNION BANK OF SWITZERLAND (SECURITIES)

J. VONTOBEL & CO.

VEREINS-UND WESTBANK

S. G. WARBURG & CO. LTD.

WARDLEY

WOOD GUNDY

MORGAN GRENFELL & CO. LIMITED

ALGEMENE BANK NEDERLAND N.V.

ANDRESEN BANK A/S

BACHE HALSETY STUART INC.

BANCA DEL GOTTARDO

BANCO DI ROMA

BANK MEES & HOPE NV

BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (B.A.I.I.)

BANQUE BRUXELLES LAMBERT S.A.

BANQUE GENERALE DU LUXEMBOURG S.A.

BANQUE INTERNATIONALE A LUXEMBOURG S.A.

BANQUE NATIONALE DE PARIS

BANQUE DE PARIS ET DES PAYS-BAS

BANQUE ROTHSCHILD

H. ALBERT DE BARY & CO. N.Y.

BAYERISCHE VEREINSBANK

BERLINER HANDELS- UND FRANKFURTER BANK

CAPITALFIN INTERNATIONALE S.p.A.

COMMERZBANK

CREDIT COMMERCIAL DE FRANCE

CREDIT INDUSTRIEL ET COMMERCIAL

CREDIT SUISSE WHITE WELD

DAI-ICHI KANGYO BANK NEDERLAND N.Y.

DEN DANSKE BANK

DEUTSCHE GIROCENTRALE

DEUTSCHE KOMMUNALBANK

DOMINION SECURITIES CORPORATION HARRIS & PARTNERS

EFFECTENBANK-WARBURG

FINACOR

GIROCENTRALE UND BANK DER OESTERREICHISCHEN SPARKASSEN

HILL SAMUEL & CO.

ISTITUTO BANCARIO SAN PAOLO DI TORINO

KIDDER, PEABODY INTERNATIONAL

KREDITBANK S.A. LUXEMBOURGEOISE

KUWAIT INTERNATIONAL INVESTMENT CO. S.A.K.

LAZARD BROTHERS & CO.

MCLEOD, YOUNG, WEIR & COMPANY

MITSUBISHI BANK (EUROPE) S.A.

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THE NIKKO SECURITIES CO. (EUROPE) LTD.

PETERBROECK, VAN CAMPENHOUT, KEMPEN S.A.

PIERSON, HELDRING & PIERSON N.Y.

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SOCIETA FINANZIARIA ASSICURATIVA (SOFIAS) (R.A.S. GROUP)

SUMITOMO WHITE WELD

UNION BANK OF SWITZERLAND (SECURITIES)

VEREINS-UND WESTBANK

WESTDEUTSCHE LANDESBANK

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